

DEMOCRATISE  
TOURISM



*Update  
Documentation*

# Who really benefits from tourism?

Join global efforts for tourism, that is equitable, people-centered, sustainable, ecologically sensitive and gender just



**Equations**

January - September 2004



# Equations

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## Our Note...

Dear Reader,

We are happy to share with you the DocUPDATE for the period January-September 2004.

January 2004 marks the starting of the World Social Forum 2004, which is a people's attempt at a global citizens forum. It seeks to offer 'open spaces' where there is a confluence of values and a noncombative ethos. It was a rallying point for all tourism interventions groups across the world in highlighting the impacts of tourism development on local communities, exchanging experiences, learning from each other, forging alliances and engaging in global collective actions. As an outcome of these deliberations and a tourism activists strategy meeting, the "Global Forum of Tourism Activists" was formed to act as a watchdog on tourism practices and development. In the WSF, tourism activists around the world posed the critical question, *"Who really benefits from Tourism?"* Because of this clarion call by tourism interventions groups to the travel trade, governments and consulting firms, WTO-OMT responded to the world in ITB-Berlin in March 2004 with the slogan "Tourism Enriches Individuals, Families, Communities, and everybody in the World!" Engaging with this kind of response will indeed be a driving force for all tourism interventions groups in near future with this question: *Does tourism truly enrich?*

2004 marks the 60<sup>th</sup> year of the existence of the International Monetary Fund (IMF) and the World Bank. The wealthiest developed countries and their corporate lobbies back these institutions. The financial and economic policies promoted by these institutions have deepened poverty, inequality and economic insecurity in every developing country where they operate. The IMF and World Bank have contributed little, to national or local development, and the policy conditions

Attached to loans from these two institutions pose a serious threat to national sovereignty and decision-making capacity in borrowing countries. It is now widely accepted across the developing world (*and by the institutions themselves*) that the IMF has failed in its stated mission of ensuring financial stability, and the World Bank has failed in its stated mission of alleviating poverty and promoting economic development. While local and national populations bear the brunt of these failures in the form of increased debt burdens, job losses, and reduced access to food, natural resources and essential services, the IMF and World Bank continue their operations with immunity from national and international laws.

India is a preferred client of the World Bank group of institutions and the Asian Development bank (ADB) for financial operations and policy advice. The ADB, which is a regional, multilateral financial institution, is formed in the image of the World Bank. The World Bank group is now poised to increase lending to the country by US \$ 1 billion over the next four years, from raising the threshold for lending now to a whopping US \$ 3 billion per year. On its part, the ADB has now increased its lending to India to US \$ 6.47 billion for the period 2005-07 with special emphasis on agriculture and infrastructure in the poor states. Their operations in India now include attempts to shape fiscal management policy, revenue collection and management, and sectoral reforms in agriculture, forestry, education, health, roads/highways, energy, and water such as introduction of privatization.

There have been important changes taking place in the arena of international trade negotiations as well. The Indian Government has in the past six months initiated



discussions with a wide range of developed and developing countries for entering into more bilateral and regional trade agreements. While the Free Trade Agreements (FTAs) already in force are only three: the Indo-Sri Lanka, Indo-Nepal and recently signed Indo-Thai, the ones in the pipeline include agreements with the ASEAN (Association of South East Asian Nations), Singapore, the Gulf Cooperative Council, South African Customs Union, MERCOSUR (Brazil, Argentina, Uruguay, Paraguay), CARICOM (Caribbean Community) and the USA. The trend holds good for most of the developing world, as countries are hesitant to make hasty commitments under the GATS (because of its multilateral framework) and therefore prefer a bilateral method of negotiating for gains in trade. Intuitively, this method appears safer for a country, after it has carried out impact studies and discussions with the relevant Ministers (in the case of India the Ministry of Commerce and Industry and the Ministry of External Affairs). Developing countries may sign agreements or commence discussions with other developing countries and satisfy theorists who profess the South-South trade route out of poverty. But there is an equal number of agreements, if not more, between developing and developed countries, where the trade is bound to be unequal and capable of perpetuating such inequalities because of the bargaining power of the developed countries. The NAFTA and the resultant impact in Mexico is a significant case in point. It is also worth noting that when a country enters into bilateral trade with countries in almost every geographical region in the world the very purpose of signing a *bilateral* agreement is defeated as this only feeds into the process of multilateral liberalization. The method through which any of these agreements is researched into is not in the least democratic. The non-consultative nature of decision-making is a result of the unequal distribution of political power within the countries. Political motivations behind such associations become evident in cases where agreements are signed after least negotiations with domestic

research agencies that have been assigned with the task of carrying out a feasibility study. The Indo-Thai FTA was signed by the Indian Prime Minister two weeks after entering office in spite of the quasi-Government research body, NCAER (National Council for Applied Economic Research), warning the government against doing so. Many of these agreements have an explicit services, and within it explicit tourism components in them, as these need to be thoroughly analysed. The services trade agreement being negotiated with USA focuses on the Business Process Outsourcing sector, but it is least appreciated that there are too many other kinds of services in the Indian economy that are not ready to face competition. In the final analysis, developing countries need to consolidate their internal political and economic structures before being in a position to support and benefit from global trade.

The Finance Minister P.Chidambaram presented, Union budget of India for 2004 - 05 in a popular tune. There are proposals for tax breaks for farm sector and lower middle class. He is trying to stick with the Common Minimum Programme of the coalition government. Mr. Chidambaram himself described the budget that '*fully faithful to the Common Minimum programme (CMP) of the United Progressive Alliance (UPA) government*'. This budget is probably called a 'political budget' targeted primarily at the lower middle class, farmers and the left. Despite political constraints Chidambaram displayed his dexterity by incorporating some elements of reforms like raising Foreign Direct Investment (FDI) caps in telecom, civil aviation and insurance. UPA's first budget clearly signals a major change of economic and political direction. The government has redefined the rule of the game. From '*India shining*', they have moved to '*Bharath shining*'. This shift is not just in policy emphasis but also in political economy terms. The finance minister has identified tourism sector as his focus area and this shows that tourism is considered an important activity



by the government. The new schemes and benefits to civil aviation, modernization of airports and the development of major convention centres are supportive steps to the industry and help to promote tourism. **Rs. 500 crores** has been allocated to the tourism ministry for the current fiscal (Last year it was Rs.350 crores)

It may seem that amusement park owners are all set to take entertainment-starved Indians, literally for a ride. The Indian amusement park sector is growing over 100 percentages every year. Number of new players is ready to take the plunge, while existing ones are set to expand. According to the 11th Quarterly Survey of Projects Investments (30 June 2003) conducted by Projects Today, the amusement park industry had 258 projects worth Rs.32, 795 crore in various stages of planning and implementation. The private investments both by the Indian and foreign companies is high in this industry. Government owned projects would be eventually given to the private investors partly or wholly. The whole gamut of the investment in this sector consists of developing entertainment, amusement parks, theme parks, golf courses and multiplexes. Between 2001-04, the industry is expected to grow three-fold in terms of both number of parks and total investment intake.

Health and medical tourism is perceived as one of the fastest growing segments in marketing 'Destination India' today. While this area has so far been relatively unexplored, we now find that not only the ministry of tourism, government of India, but also the various state tourism boards and even the private sector consisting of travel agents, tour operators, hotel companies and other accommodation providers are all eyeing health and medical tourism as a segment with tremendous potential for future growth and medical tourism could earn more than \$1 billion annually.

Although trafficking of children is not a new phenomenon, it has taken on alarming forms

and proportions over the last decade. Every day children are trafficked across the country and through out South Asia, with India being the source country as well a transit and destination point. They are being trafficked for prostitution, labour, entertainment and sports, pornography and sex tourism, illegal activities like begging, organ trade, for and through marriage and adoption. Even though Child Rights is a global concern today among most countries, there is a continuous and blatant violation of the rights of children that goes unrecognized and unaddressed in the form of trafficking. Tourism as an industry is particularly insensitive of local community needs. Denial of access to resources, land accession, change in land patterns and loss of traditional and sustainable livelihoods are impacts that local communities have to face in return for the setting up of a world class resort or hotel in their area. The economic vulnerability created by the tourism industry makes option such as trafficking an option, which is difficult to ignore.

Eco-tourism is being promoted vigorously by the tourism industry and by the central and state governments. The implications of these activities are reflected in the tourism policies at international, national and state levels. The focus of all tourism activity is shifting to eco-tourism. What is happening in the name of eco-tourism is a matter of great concern. There are serious threats to our physical and socio cultural environment in general and our flora and fauna in particular. There are also growing violations of environmental legislation and norms clearly reflect the concern of our governments, policy makers and planners towards protecting our biodiversity and environment. However, the picture is not too grim. Supreme Court of India, with its various orders has shown that environmental concerns are of prime importance.

Karnataka Governments strategy is only to attract tourists, therefore they are refusing to be confined by the stringent coastal regulations imposed by the central



government, and they are offering 44 locations along the coasts for private investors to start tourist facilities. In these places the tourism department has identified the land that is available for investors with the ownership lying with itself, revenue or forest departments. In some places, investors scout for private land, but the department has indicated the potential for setting up particular type of activities. Now the Government is emphasizing on the unexplored and unknown qualities of its beaches, their unspoiled condition making them unique and there by making them increase in scope of commercial development. Keeping in mind the current scenario only promotion of tourism, infrastructure with the help of private public partnership with no proper guidelines with which the private entrepreneurs must work and by allowing free hand end up in the lopsided development of tourism with deep adverse impacts.

Tourism in Tamil Nadu has received a major thrust in the last few years. The systematic and comprehensive efforts taken by the state government in 2003-2004 has enabled Tamil Nadu make its presence strongly felt in the International arena of tourism sector. "Enchanting Tamil Nadu Experience Yourself" campaign, which was launched in 2003-04, has been carried in an aggressive mode. The Tamil Nadu state government has fixed a target to increase the tourist inflow by 10 to 12% from the present level of 7 to 9%. At the same time there is an increase in the budget allocation for tourism as 30.35 crores in 2004-2005 from the earlier budget allocation of Rs 5 crores in 2000-2001. The increase in the tourist's arrival has made the state government to develop the infrastructure facilities as well as identifying

the hidden treasures of Tamil Nadu and promoting those areas. While the government looks tourism merely as industry that contributes for the state's economic growth it has totally ignored the local community and their livelihoods. For instance in Mahabalipuram the state as well as the central government has involved in creating infrastructure facilities has ignored the people's welfare and their participation in the decision making and there seems to be a push towards getting the investors to undertake tourism projects in Tamil Nadu.

It seems as though tourism is being replanned to give itself a new dimension. We in EQUATIONS are trying to analyse the trends and debates that are emerging from the tourism and related development area. This edition covers materials from Newspapers, Weekly, Magazines, Journals and Books. While compiling this edition, we have also looked at information available on the web and that we receive through list serves via e-mail. The selected information is indicative of trends in tourism development, especially in India. Issues are presented under headings based on the sections in our classification code. Apart from tourism issues, some sections deal with issues related to development in general.

At this point, the team would like to acknowledge the contribution of Ms. Nina Rao, Delhi, Bailancho Saad, Goa, CAG (Citizens, Consumer and Civic Action Group), Chennai for providing us with regional news clippings and statewide reports to understand, analyse trends at the state level and to engage with debates. We request feedback from our readers about this document, its information and features you would like to share with us.

**EQUATIONS Team**

## Contents.....

|   |           |
|---|-----------|
| <b>A. TOURISM AND TOURISM ALTERNATIVES.....</b>                   | <b>1</b>  |
| A 00 Tourism, Travel (General).....                               | 1         |
| A 10 Tourism and Development.....                                 | 3         |
| A 31 Alternative Development Ideas, sustainable Development ..... | 5         |
| A 80 Tourism Research/ Education .....                            | 5         |
| <b>B. TOURISM POLICY AN D TOURISM DEVELOPMENT .....</b>           | <b>6</b>  |
| B 01 Special Tourism Areas.....                                   | 6         |
| B 20 Tourism Legislation, Rules, Regulations, Acts.....           | 6         |
| B 30 ITDC.....  | 6         |
| B 32 Tourism Facilities, Transport, accommodation.....            | 6         |
| B 60 International Tourism Issues.....                            | 7         |
| B 63 International Network.....                                   | 7         |
| <b>C. TOURISM ECONOMY, INDIAN ECONOMY.....</b>                    | <b>7</b>  |
| C 00 Tourism Economy and Tourism Infrastructure.....              | 7         |
| C 03 Tourism Finance .....  | 8         |
| C 10 Indian Economy.....  | 8         |
| C 11 Liberalization Policies .....                                | 10        |
| C 23 Railways.....  | 14        |
| C 23 a Palace on Wheels and Royal Indian.....                     | 15        |
| C 24 Civil Aviation .....   | 15        |
| C 30 Tourism Industry.....  | 17        |
| C 41 Labour Policy, Legislation, Laws and Implementation.....     | 17        |
| CO Companies.....   | 18        |
| <b>D TOURISM PROMOTION AND TYPES OF TOURISM .....</b>             | <b>18</b> |
| D 00 Tourism Volumes and Patterns.....                            | 18        |
| D 11 Festivals-India.....   | 19        |
| D 20 b Recreation and Theme Parks .....                           | 20        |
| D 20 d Heritage Tourism.....                                      | 20        |
| D 20 e Pilgrimage Tourism .....                                   | 21        |
| D 20 f Health Tourism .....                                       | 21        |
| D 20 g Rural Tourism.....   | 22        |
| D 20 h Golf Tourism.....  | 23        |
| D 20 i Eco Tourism/Wildlife Tourism .....                         | 23        |
| <b>E TOURISM, SOCIETY AND IMPACTS .....</b>                       | <b>25</b> |
| E 01 Environmental Impact of Tourism.....                         | 25        |
| E 01 a Environmental Laws and Policy .....                        | 25        |
| E 01 b Environmental Issues.....                                  | 26        |
| E 01 d Wildlife.....  | 27        |
| E 41 Prostitution and Trafficking (General) .....                 | 28        |
| E 42 Child Prostitution/Child Sex Abuse.....                      | 28        |
| E 71 National parks and Sanctuaries (General) .....               | 31        |
| <b>G COASTAL REGIONS.....</b>                                     | <b>31</b> |
| G 10 CRZ Acts, Rules, Laws, Violations (General).....             | 31        |
| G 10l Kerala .....  | 32        |
| G 40 Industries on the Coasts (General) .....                     | 32        |

|   |           |
|---|-----------|
| G 40 K Karnataka .....                                | 35        |
| G 90 Coastal Tourism.....                             | 35        |
| <b>H HILL AND MOUNTAIN REGIONS .....</b>              | <b>36</b> |
| H 00 Hill and Mountain Regions of India .....         | 36        |
| H 30 Himalayas (General).....                         | 36        |
| <b>K KARNATAKA .....</b>                              | <b>37</b> |
| K 10 Policy, Economy .....                            | 37        |
| K 12 Infrastructure, Power.....                       | 37        |
| K 33 Child Labour .....                               | 38        |
| K 50 Tourism/Tourism issues in Karnataka.....         | 38        |
| K 51 Coastal Tourism.....                             | 39        |
| K 53 Heritage Tourism .....                           | 39        |
| K 59 Golf Tourism .....                               | 40        |
| <b>L KERALA.....</b>                                  | <b>41</b> |
| L 00 Kerala-Land and People .....                     | 41        |
| L 10 Policy, Economy .....                            | 41        |
| L 12 Infrastructure .....                             | 42        |
| L 50 Tourism/Tourism issues in Kerala (General).....  | 43        |
| L 56 Wayanad .....                                    | 43        |
| L 58 Special Tourism Area-Bekal .....                 | 43        |
| <b>M TAMILNADU .....</b>                              | <b>44</b> |
| M 11 Planning, Policy .....                           | 44        |
| M 57 a Ooty .....                                     | 44        |
| M 57 b Kodaikanal .....                               | 44        |
| <b>N ANDHRA PRADESH .....</b>                         | <b>45</b> |
| N 00 Tourism Related .....                            | 45        |
| <b>P GOA .....</b>                                    | <b>46</b> |
| P 00 Tourism related .....                            | 46        |
| <b>Q NORTH EASTERN STATES .....</b>                   | <b>48</b> |
| Q 00 Tourism related .....                            | 48        |
| <b>S OTHER STATES .....</b>                           | <b>49</b> |
| S 10 Eastern India-Orissa, West Bengal.....           | 49        |
| S 20 North India-UP, Bihar, Uttaranchal .....         | 49        |
| S 21 Jammu & Kashmir.....                             | 51        |
| S 30 Western India-Rajasthan.....                     | 51        |
| <b>T FOREIGN COUNTRIES .....</b>                      | <b>52</b> |
| T 00 International Tourism Volumes and Patterns ..... | 52        |
| T 10 South Asia .....                                 | 52        |
| T 20 South East Asia.....                             | 52        |
| T 30 Communist Asia .....                             | 53        |
| T 60 Europe .....                                     | 53        |
| T 80 Caribbean/Central and Latin America .....        | 54        |
| <b>U INTERNATIONAL ECONOMY.....</b>                   | <b>55</b> |
| U 00 International Economy, Globalization .....       | 55        |
| U 30 GATT/World Trade Organization (WTO).....         | 57        |
| U 40 International Aid (Bilateral).....               | 58        |
| U 41 World Bank .....                                 | 59        |



|   |           |
|---|-----------|
| U 42 International Monitoring Fund (IMF) .....                                    | 62        |
| U 43 Asian Development Bank (ADB) .....   | 62        |
| <b>X CULTURE AND SOCIETY.....</b>   | <b>63</b> |
| X 11 Social/Political System .....  | 63        |
| X 12 Tribes and Development .....   | 64        |
| X 22 a Right to Information.....  | 67        |
| X 31 Status of Women (General) .....  | 68        |
| X 34 Women and Development .....  | 68        |
| <b>Z MISCELLANEOUS .....</b>  | <b>69</b> |
| Z 10 NGOS.....  | 69        |
| <b>ANNEXURE.....</b>  | <b>70</b> |
| Annexure 1: Critique of EQUATIONS on Draft National Environment Policy 2004 ..... | 70        |
| Annexure 2: Critique of EQUATIONS on Draft National Tribal policy 2004 .....      | 70        |
| Annexure 3: President A P J Abdul Kalam's Vision of Developed India.....          | 75        |
| Annexure 4: Biosphere in peril: Sahara Parivar's Sunderban dreams.....            | 83        |
| Annexure 5: An India-US FTA: Free Trade for America? .....                        | 86        |
| Annexure 6 : Incoming Materials (January September 2004) .....                    | 92        |
| Annexure 7: EQUATIONS Publications 2004 .....                                     | 94        |
| Indian Tourism: Current Issues.....   | 95        |
| What we do .....  | 96        |
| Sources Index .....   | 97        |

# A TOURISM AND TOURISM ALTERNATIVES



## A 00 Tourism, Travel (General)

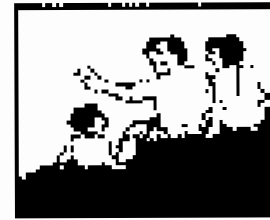
Indian tourist is evolving from the shopping holidays in duty-free Singapore and Dubai, to the package tours of London, Paris and Switzerland, the Indian globetrotter seems to be acquiring a taste for destinations known better for art, culture, food and, some adventure. They are all hoping to gain from the generous dollar spends of the Indian tourist who has emerged as amongst the biggest spenders on holiday abroad.

The Spanish tourism board, for instance, has estimated that the Indian tourist spends up to euro 568 (Rs 32,000) on a visit, which was second only to Japan for the Asian nations. And, while Indians may not yet be flocking to Spain, one of Europe's most popular destinations with 52.4 million visitors each year. The Spanish tourism board has identified India as one of its emerging markets along with Australia, New Zealand, and the Baltic nations. Last year, 39,000 Indians visited Austria, which attracts about 28 million visitors annually. *(Indian tourists turn to new destinations, Tunia Cherian George, BL.B, 2.3.04, A 00)*

Central London retail sales rose 3.3 per cent in July from the same month last year, outpacing growth in the nation as a whole, as more tourists visited the capital and discounts lured customers. The increase reported by the London Retail Consortium followed an annual drop of 0.4 per cent in the previous month. Nationally, sales growth eased to 1.8 per cent in July, the slowest pace in five months, British Retail Consortium data showed last week. Growth in tourism was led by visitors from Eastern Europe, China and the Middle East, the LRC said. Beauty products, including fragrances sold well, as did handbags and designer accessories. *(London retailers boost July*

*sales as more. as more visit city, Bloomberg London, BL.C, 17.8.04, A 00)*

Tourism: The Growth Multiplier: N.K. Singh have been invited to speak at the 40th Annual Convention of the Federation of Hotel and Restaurant Associations of India on the broad theme of "India Tourism: The Way Ahead". This is for the first time that the convention is being held outside India and it was not clear whether the young, progressive Vivek Nair, President of the association, had chosen Dubai as a closest venue to the mainland for accommodating all the delegates in view of the crunch in room India, or because this represents a genuine effort to seek global perceptions. In the old days, religious tourism was popular, but Dubai has now proved that tourism itself can become a religion! There is an old proverb that all that glitters is not gold. However, about Dubai it can truly be said that all that glitters is gold looking at the ornate style of its hotels, the dazzlingsheen in its jewellery shops, the opulent life-styles of the rich and the city becoming a hub for economic activity and tourism.



Dubai, as the participants at the convention will realise, has merely offered security and quality infrastructure to permit freedom in human ingenuity to create a meaningful hub of economic activity. Enticing over six million tourists in a short time with an ambitious target of 10-15 million over the next few years, creating a world-class airport hub and building satellite cities by reclamation of the sea, environmentally damaging as an elitist activity for the rich and wealthy that might be, speaks volumes about an innovative





economic strategy.

There is a lot to be learnt from Dubai. Enticing over 6 mn tourists in a short time, creating a world-class airport hub and building satellite cities by reclamation of the sea, speaks volumes about an innovative economic strategy

\* As a means to foster equity. There are few economic activities where the income percolates so readily to the average man from being engaged in vegetable cultivation, maintaining food supply chain, carrying out laundry functions, not to speak of ensuring regular supplies of newspapers and periodicals. This is particularly so in smaller and medium cities where many of these activities are manually undertaken.

\* Increased tourist activity, however, brings with it new skills, improved practices, technological improvements not to mention the diversity of varied cuisines and hopefully fosters greater tolerance even in closed societies.

\* Finally, the symbiotic relationship between business activity and tourism. Hospitality facilities attract investors in making business decisions while the converse is also true; the Japanese do not favour India as an investment destination in the absence of assured high quality sushi and tempura!

In the end, no tourism can flourish if economic growth remains stagnant. However, if we continue to grow at 7-8%, which we hope to, tourism can be a growth engine and some of the obvious steps include:

\* A sustained mindset change in which tourism is not regarded as an elitist activity for the rich and wealthy. It is rather a catalyst with multiplier benefits including gainful employment, improved income distribution and creation of wealth.

\* Some mindset change has taken place, but it has to percolate down to many state governments and organisations where enthusiastic officials still find ingenious ways to tax the sector further or making availability of land onerous and unaffordable.

\* To make a co-ordinated effort between central and state governments. Central government grants tax and other concessions only to be nullified by state governments. The proposal of the tourism ministry to bring tourism under the Concurrent list in the Constitution and to create a National Tourism Promotion Board under the Prime Minister needs to be actively pursued.

\* Fiscal policies need to be aligned with the rates prevalent in other competing destinations. A lot has been done recently but fine-tuning is necessary and there is clamour to secure infrastructure status for the hotel industry.

\* Access to affordable credit, particularly by greenfield hotel entrepreneurs, at affordable cost and innovative ways for adequate equity to be raised is a challenge.

\* Business cycles are part of the ongoing economic activity. Even while the symmetry between boom-burst cycles is making risk management more challenging, the problem of the travel and tourism industry is more serious. A small, exogenous event, like bird flu, a SARS virus, a terrorist attack or a local communal tension can destroy the small and medium entrepreneurs. Given the special vulnerability of this sector, consideration needs to be given for an Insurance Stabilization Fund and arrangement for debt restructuring during the transition for survival of small entrepreneurs with shallower packets.

\* The proposed privatization of airports (hopefully on track this time) and easing of restrictions on private airlines, both for domestic and international destinations, will have a positive impact. So will the exponential expansion of domestic tourism based on up gradation of national highways, new highway connectivity, integration of rural economy through progressive completion of rural network roads programme.

\* Finally, the young demographic profile of India; the shifting patterns of consumption, redistribution of time between work and leisure, creates new opportunities for exponential expansion of domestic travel.



\* The Tourism Policy 2002 remains significantly unimplemented. We require a bolder vision of aiming at 10 million tourists in 3-4 years time yielding an employment potential for 125 million Indians and a GDP contribution of 10-12%. For these to be realized, the sector needs to be treated with priority, continuity and sensitivity to handle the tourists' psychology. It has been said, "large part of tourism is an engagement of the ego versus the world. The world is Hydra-headed as old as the rocks and as changing as a sea enmeshed in the rocks and the ego wants to be pampered, arrive at places safely and in time".

To realise the more daunting vision of the tourism sector, our policies must aim not only at safe and timely arrival but pamper the fragile ego of the tourist, both domestic and foreign. *(Here, All That Glitters Is Gold, FE.B, 13.9.04, A00)*

India ranks as the third largest country in tourist arrivals into Singapore. And Indians are also the highest spenders, Singapore Tourism Board's (STB) deputy chairman and chief executive Lim Neo Chian told. According to him, Indonesia and China still retain the top two slot in terms of tourist arrivals, however, India has 'rebounded quickly. While information on the socio economic profile of Indian visitors is lacking, STB officials indicate that majority of people traveling to Singapore from India are between the age group of 24-34. Most travel for the purpose of leisure followed by the business traveler. STB officials said "India is one of the fastest growing market for us. In fact, July 2004 has been the best in our history when we recorded a growth of 24% over January July 2002. We have had 4,50,000 Indian arrivals this year as compared to 3 lakh arrivals in 2003. According to STB officials, overall visitor arrivals for 2004 (until July 2004) were 8,02,283 (marking a 12% increase over the last record of July 2001, where the total visitor arrival was 714,944). *(Indian Tourists Among Highest Spenders In Singapore, FE.D, 17.9.04, A 00)*

## A 10 Tourism and Development

If there's one state on which nature has not showered her riches, it's Haryana. No lush green mountains; no rolling rivers and streams, and not even too hot on the religious circuit. But undaunted by the lack of nature's bounty, the state has been a "front-runner" in developing highway tourism. Some of the well-known tourist destinations in the state are Sohna, Surajkund, Kamal, Panipat, Gurgaon, Tilyar and Myna (Rohtak), Pinjore, Panchkula, Kurukshetra, Hisar, Ballabgarh. According to a PHDCCI paper on Haryana, today the state has one of the best wayside amenities and highway motels. However, the potential to generate more investments and resultant employment opportunities still lies untapped. The chamber sees vast scope for developing amusement parks, water sports, golf clubs etc. The state tourism department needs to identify new sites and should jointly take up new projects with the private sector.

## THE HOTTEST STATES FOR BUSINESS: THE OVERALL RANKINGS

| Over All Rank | State            | Perceptual Rank | Factual Rank |
|---------------|------------------|-----------------|--------------|
| 1             | Maharashtra      | 1               | 1            |
| 2             | Andhra Pradesh   | 2               | 4            |
| 3             | Karnataka        | 3               | 5            |
| 4             | Gujarat          | 4               | 3            |
| 5             | Tamil Nadu       | 6               | 2            |
| 6             | Kerala           | 5               | 7            |
| 7             | Haryana          | 8               | 11           |
| 8             | Madhya Pradesh   | 10              | 8            |
| 9             | West Bengal      | 14              | 12           |
| 10            | Himachal Pradesh | 11              | 15           |

The chamber suggested a multi-pronged strategy for tourism promotion:

- Promote highway tourism: Build tourist complexes at strategic points along the highways passing through the state.



- Develop destinations around Delhi taking full advantage of its proximity to the National Capital: tourist complexes can be setup around Delhi through promotion of leisure tourism and conferences.
- Provide tourist facilities in all districts: Tourist facilities at the district and sub-divisional headquarters to cater the needs of the local people.
- Develop destinations around Delhi taking full advantage of its proximity to the National Capital: tourist complexes can be setup around Delhi through promotion of leisure tourism and conferences.
- Provide tourist facilities in all districts: Tourist facilities at the district and sub-divisional headquarters to cater the needs of the local people.

### **Interview with Ghulam Naqshband**

Ghulam Naqshband is an expert on the topography of India's inbound market, having dealt with a variety of clients first as an employee of a leading travel company and then as chairman of his own top-end tour outfit that now has a turnover of Rs 45 crore. The 80-year old youthful innovator talks to Narayani Ganesh about top-end tourism:

#### ***Why do you advocate promotion of niche markets? What's wrong with mass tourism?***

All tour operators undercut one another. So though you deal with large numbers, returns are limited. This doesn't happen in the niche market, where you cater to the top end luxury segment.

#### ***What do luxury travellers seek to experience?***

Once the clients reach India, inland travel is by chartered flights. If a road journey is unavoidable, they are driven in Mercedes cars. Where necessary, escorts accompany them. At every port of arrival, the tour operator's representative is there to receive them and takes care of local hospitality and sightseeing. And they stay only in Suites. The most popular destinations are Rajasthan and Kerala, besides the golden triangle - Delhi Agra-Jaipur. Most are from Europe, especially the aristocracy. They look for gourmet dining with choice wines, luxury hotels, chartered inland flights and luxury vehicles on the road.

#### ***How can we increase our share in upmarket tourism?***

Individual tour operators have to find the right agents abroad. We need to project a good image of the country and engage in promotional activity with the right segments. Tourist arrivals in India are now roughly 2.75 million a year. It is nothing compared to what other, much smaller countries with fewer attractions get - tiny Singapore gets nearly seven million visitors. India's share of global tourism has remained static at 0.3%. In ranking, we've slipped from position number 47 to 53 over the last seven years, while our neighbors have gone ahead of us. Thirty years ago, Bangkok had just two tours - floating market and temples. Today, there are so many, including new destinations like Phuket and Pattaya. Submarine tours take you to the bottom of the sea. We need to improvise.

#### ***How about tourist spending?***

An average tourist's out-of-room expenditure is barely \$40 a day here. In Singapore, it is \$250 and in Thailand, \$78.

#### ***You think backpackers don't count?***

I didn't say that. Today's backpacker is tomorrow's luxury traveller. Remember, Kennedy's son came to Delhi as a backpacker and stayed in a Paharganj hotel. If airport modernisation is going to cost us Rs 5,000 crore, we need both up market tourism and mass tourism. Then yield per tourist will go up. Once we give them a good experience, traffic will grow through word-of-mouth publicity. Immigration officials need to be more tourist-friendly; tourist police should be trained to help visitors and deter touts. We want 'responsible tourism' - decent taxi services and fair prices. The government should help create better image through hard promotion, regulation and facilitation. The rest are in the hands of private operators.



***How long does it take for a niche destination like Chhattisgarh to capture and sustain a viable tourist market?***

In two years, since the Chhattisgarh campaign took off, awareness has been created. However, unless there is easy accessibility and adequate infrastructure, you cannot really expect interest to translate to footfalls. Take the Chitrakote waterfall in Chhattisgarh that is being promoted as India's Niagra. With tented accommodation the only option currently, only a very committed traveller would make the effort to change flights, endure a long road journey and then live in tents to enjoy the beauty of the place. Promotion of a less known place -like Bastar that has great anthropological and environmental value- through ad campaigns and conferences is important, but alongside, infrastructure has to match tourist expectations. We need to go to institutions abroad and tell them that this area - which was inaccessible - is now open to visitors. Orissa, for instance, already has a thriving niche market as far as tribal tourism is concerned.

***(We need up market & mass tourism, Narayani Ganesh, ET.C, 28.8.04, A 10)***

**A 31 Alternative Development Ideas, sustainable Development**

The WTI tourism show is being billed as a truly international industry event and showcases exhibits from at least about 25 countries with numerous state tourism boards and airlines. Qatar Airways is the official airline of the tourism show. Addressing delegates at the inaugural session, Maharashtra Tourism Development Corporation (MTDC) managing director Ashish Kumar Singh said that with the country's tourism showing a definite climb upwards, the state of Maharashtra is looking at doubling its growth figures this year and is currently in the process of implementing product improvement work, looking at setting up Aurangabad as an international airport, developmental work of the coast line right from Mumbai to Goa and several marketing initiatives.

Deloitte Touche Tohmatsu USA tourism worldwide head Alex Kyriakidis said that there is a huge potential for the Indian tourism market but what is required is to develop proper travel and tourism infrastructure. He added that India should also strive for sustainable tourism development and also said that by 2020, a new business model will emerge for global travel and tourism, which would entail new customer segments. ***(WTI Tourism shows opens in Mumbai, FE.D, 6.2.04, A 31)***

**A 80 Tourism Research/Education**

The Gargi College, therefore, is all set to introduce a number of new courses in the ongoing academic year in collaboration with both the government and private organisations, based in India and abroad. The college will commence courses on chartered Accountancy (CA) in association with the Institute of Chartered Accountants of India (ICAI) and company secretariat in collaboration with the Institute of Company Secretariat of India. The most sought after courses include the certificate courses in Travel and Tour Management in association with the Switzerland based Kuoni Academy for Travel and Tour Management and a course in media studies and Media Production in collaboration with the Weighan and Leigh University, London. Emphasizing on the sustainable development, the college would kick off a unique course named "Environment and Development" in association with the Centre for Environment and Education, an Ahmedabad based NGO. ***(Gargi College to start several new courses, Sonia Sarkar, The Pioneer.D, 14.9.04, A 80)***

## B. TOURISM POLICY AND TOURISM DEVELOPMENT



### B 01 Special Tourism Areas

The Reserve Bank of India has allowed foreign companies to set up branch Offices /units in Special Economic Zones (SEZ) to undertake manufacturing and service activities subject to conditions. SEZs at different places in the country enjoy several facilities including freedom to import and export goods, tax waivers, zero duty regime, relax labour laws etc. on the lines of such zones functioning in countries like China. This model has been a huge success and India wants to replicate the same. However, all these days the government had allowed only the domestic entities to do business in SEZs. But the Reserve Bank in a notification dated January 16 has given "general" permission to foreign companies to set up their units.

RBI has, however, made it clear that the foreign companies will be allowed to establish only those units where the government has allowed 100 per cent foreign direct investment (FDI) and if they function on a "stand alone" basis". By stand-alone basis, RBI has said such branch offices would be isolated and restricted to the Special Economic Zone alone and no business activity will be allowed outside the Special Economic Zones in India, which includes branches/ subsidiaries of its parent office in India. In the event of winding-up of business and for remittance of winding-up proceeds, the foreign unit will need to confirm that all liabilities in India including arrears of gratuity and other benefits to employees etc. are fully met. Further, no income accruing from sources outside India including proceeds of exports has remained unrepatriated to India. *(Foreign firms allowed to set up SEZ units, DH.B, 18.01.04, B 01)*

### B 20 Tourism Legislation, Rules, Regulations, Acts

Good news for people who own properties near monuments. The Archaeological Survey of India (AS I) has begun the process of reviewing the 100-metre rule that prohibits

any construction within that limit. Last month, the Delhi High Court had asked the government to review its 1992 notification within six months. It felt that the blanket ban of "no construction within 100 metre" of a protected monument needed to be relaxed or tightened on a case-to-case basis. The new DG of ASI, C. Babu Rejeev, said a committee is being formed to review the rule.

*(Panel to review construction near monuments, Saurabh Silma, HT.D. 30.8.04, B 20)*

### B 30 ITDC

Tour operators said that they would seek a meeting with finance minister to suggest withdrawal of service tax on, their foreign exchange earnings. Tour operators, led by Indian Association of Tour Operators (IATO), said that they would, however, resort to an agitation on the issue after 7-10 days, if the tax was not withdrawn. Other organisations of travel trade such as TMI, TAPI, ITTA, UHF will also join IATO on the issue, IATO president Subhash Goyal said.

"The Centre and state governments are already charging several taxes such as road tax, passenger tax, luxury tax and sales tax from tourists. Addition of another tax will make the tour packages more costly. As a result, India will become less attractive and in competitive tourist destination," *(Tour Operators To Meet FM On Service Tax Withdrawal, FE.D, 28. 08.04, B 30)*

### B 32 Tourism Facilities, Transport, accommodation

An Indian Hotels Corporation Ltd (IHCL) official said there has been a tremendous upswing in the tourism industry, which has greatly facilitated the hospitality segment. Room occupancy levels have been increasing and with the season on full swing, there should be good growth expected. The up trend in the sector is mainly due to business and corporate travel, which has grown by 15 percent due to the upbeat economic spirit and stable political environment, says BTISita,



COO Vijay Chadda. He feels the growth will sustain, and much depends on the sustainability of information technology sector and future of business process outsourcing industry. Coss & Kings head (business development) Gopi R Iyengar said a growth in air travel is welcome, as increased capacity will mean added business for the tourism industry.

Aided by the feel good factor, a lot of domestic and international travellers are arriving in the city. Since Chennai is known as the gateway of India from Far East, there has been a spurt of arrivals from this region as well as from the traditional places like the United States and the United Kingdom. The government needs to increase flights into India, as there is a lot of pent up demand from overseas tourists, which will greatly help the travel & tourism industry as well as the hospitality segment, he added. (*Tourism Take-Off Pilots, FE.D, 25.02.04, B32*)

#### **B 60 International Tourism Issues**

Increased air capacity between India and Singapore and the twinning of business opportunities and tourism promotion would form the major components of the proposed comprehensive agreement planned to be signed between the two countries, the Singapore Minister for Trade and Industry, George Yeo, said. "We are confident that this

milestone economic agreement will be signed during the middle of the year which will further strengthen the tourism cooperation between India and Singapore," the Minister said and Singapore attached great importance to the Indian market as it figured in the top 10 visitors generating market, he said. The members of the MAC (India) sought his intervention in further relaxing the visa regulations for Indian travellers and ensuring "hassle-free" travel arrangements for promoting tourism. (*India-Singapore pact to promote tourism, T.S.Shankar, TH.D, 22.2.04, B 60*)

#### **B 63 International Network**

India has bid to host the fifth World Travel and Tourism Council (WTTC) summit next year. India has made the offer to host the event in Delhi at the fourth WTTC summit. The offer to host the event was made by the Indian side led by India Initiative chairman, Mr. Lalit Suri, who is an hotelier and MP. India's Planning Commission member, Mr. NK Singh, also made a presentation at the summit, hosted by Qatar Airways and Qatar Tourism Authority, on "brand India" and sought the support and cooperation of WTTC to develop the tourism and travel market in the country. (*India places bid for world tourism summit, BL.C, 5.5.04, B 63*)

## **C. TOURISM ECONOMY, INDIAN ECONOMY**

### **C 00 Tourism Economy and Tourism Infrastructure**

After testing waters in the short-lived poll-tourism innovation appetite at Kerala tourism work stables has turned to chopper tourism.

It's not the first time the God's own country has business flights of fancy, but election fever has the tourism trade going at it full throttle. From the coming season, a private helicopter service has plans to string together hills, backwaters and jungle destinations like Munnar, Kumarakom

and Thekkadi. The newly formed King National Air Charter has sought DGCA (Director General of Civil Aviation) nod for chopper operations in Kerala. Buoyed by the phenomenal 25 per cent growth in tourist arrivals in the closing season, the operations are slated to start by November 2004. Kerala tourism has been known to be receptive to necessities like helicopter taxis to the point of offering to construct helipads at tourism spots like Vagamon and Ponmudi. (*Chopper tourism gaining ground as election fever grips Kerala, FE.C, 07.05.04, C 00*)





A nice blend of top-class medical expertise at attractive prices is helping a growing number of Indian corporate hospitals lure foreign patients, including from developed nations such as the UK and the US. If livers transplant costs in the range of Rs 60 lakh-70 lakh in Europe and double that in the US, a few Indian hospitals, such as Global in Hyderabad, have the wherewithal to do it in around Rs 15 lakh-20 lakh. Similarly, if a heart surgery in the US costs about Rs 20 lakh, the Chennai-headquartered Apollo Hospitals Group does it in roughly Rs 2 lakh.

But, things are going to change drastically in favour of India, especially in view of the high quality expertise of medical professionals, backed by the fast improving equipment and nursing facilities, and above all, the cost-effectiveness of the package. In addition to the increasingly top class medical care, a big draw for foreign patients is also the very minimal or hardly any waitlist as is common in European or American hospitals. In fact, priority treatment is provided today in Indian hospitals. (*Indian eyeing share in medical tourism pie, M. Somasekhar, BL.B, 11.5.04, C 00*)

### C 03 Tourism Finance

To raise luxury tax collections to Rs 125 crore, it has made it mandatory for hotels and inns to charge the 12.5 per cent luxury tax, which the industry says is the highest in the country; on published tariffs (or 'rack rates'), and not the actual rates that guests pay. Lalit Suri, member of Parliament and president of Hotel Association of India, calls this "a very disappointing move". From September 6, guests are being made to pay a tax on room rates they were never charged. In Haryana, on the other hand, there's no luxury tax; in Rajasthan, the rate is 6 per cent on actual rates; in up, it's 5 per cent. It's a standard industry practice to charge discounted rates from airline crews, corporate customers, conferences and groups. The average peak season room rate in the five-star sector, for instance, hovers around Rs 4,000 to Rs 6,000, but the rack rates could be Rs 10-12,000.

How to a way out: If the move on luxury tax is unworkable, what's the alternative?  
Raise the service tax on banquets. At present, it's 8 per cent on 70 per cent of the food bill. Make it 10 per cent likewise, up the sales tax on food served in five-star hotels from 8 to 10 per cent. There's a catch, though different departments handle luxury tax and sales tax. (*Govt. greets tourists with new luxury tax, Sourish Bhattacharyya, HT.D, 9.9.04, C 03*)

### C 10 Indian Economy

The World Bank's stern warning to state governments that embark on populist measures like offering free power may come as a surprise to those accustomed to the Bank's style of functioning. Over the years, the World Bank has learnt (the hard way!) to keep a low profile. Given the sensitivities of populations in developing countries, many of who resent the bank's belt-tightening advice to crisis countries and see it as a US agent, Bank officials usually take care not to ruffle feathers. Which is why its plain speaking on the issue of free power is rather unusual. That does not make it any less timely, however. With the results of the recent election being interpreted as a vote against reform by the political class, both Andhra Pradesh and Tamil Nadu are bending over backwards to offer freebies. Both chief ministers are perfectly aware that this is not an economically viable solution. On the contrary, it does incalculable harm to the long-term fiscal health of the state and given the precarious state of their finances, is completely unjustified. The additional expenditure on these freebies has to come from somewhere - either from increased revenue or from lower expenditure or, when neither is possible, from borrowed funds. Raising more revenue is unlikely to go down well with the electorate. Hence, most governments try to cut down expenditure. And since it is far easier to cut capital rather than revenue expenditure, essential capital expenditure is often given the go by. Where this has already been pared to the bare

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minimum, states have no option but to borrow. Borrowing to finance current expenditure is, however, an invitation to disaster when no asset is being created to service the loan. So far, states have been able to muddle along because, given the compulsions of federal politics, the Centre invariably comes to their rescue at the last minute. The World Bank, however, has none of the compulsions of the Centre. It can afford to take a purely commercial view of its lending. But will that rein in reckless state governments? (*Welcome candour, World Bank's Plain speak is timely, ET.B. 20.6.04, C 10*)

The decade-old public/private partnership in Kerala's tourism industry is turning sour. "Beleaguered by inordinate delays in the decision making process, lack of transparency and a relatively high cost regime, the pioneering partnership between the private and public sector tourism industry is fraying at the edges,". These factors have given an inherent advantage to neighboring states. "The sleeping giant in Tamil Nadu is waking up, Pondicherry is conjuring up new initiatives and Karnataka has been consistently wooing private sector and new entrepreneurs to explore and exploit its new and nascent territories," Mr Jose Dominic, Managing Director of the CGH group of hotels said.

It had been a tremendous decade for Kerala tourism. Revenues had shot up to Rs 6,000 crore annually, employing six lakh people and clocking double-digit growth figures. The demand side is still strong, but the supply side has begun to weaken. Quality rooms are no longer coming up at the earlier hectic pace. New properties have not been coming up in yet to be explored virgin regions and the established destinations are getting overcrowded. "A high tax structure has been wearing down the resources of the industry and reducing the quality of service," the sources said. On the cost front, the appendages for the hospitality industry are among the highest in the country. While Karnataka and Tamil Nadu have given a

reprieve to the industry by reducing luxury tax, Kerala's tax remains substantially high. (*Public-Pvt partnership in tourism turning sour, C.J. Punmathaa, BL.C, 23.8.04, C 10*)

Out of all the south Indian states, Tamil Nadu (TN) tops the list of states for foreign direct investments (FDI). Karnataka follows TN, which is a notch below TN in the pecking order. Ironically, Andhra Pradesh (AP) is not in the list of top five FDI destinations in the country. According to official estimates, for the January 1991 to March 2004 period, TN accounted for close to 9 per cent of the total FDI, which came into the country. However, of late, there is a perceptible shift in FDI inflows away from the manufacturing sector to knowledge-based industries such as IT business process outsourcing (BPO) and biotechnology.

According to the numbers published in the Economic Survey 2004, TN has garnered 8.58 per cent of the total FDI inflow into the country since January 1991 up to March 2004. This translates to a whopping Rs 25,071.77 crore or \$6.52 billion worth of investments. While Maharashtra has cornered a 17 per cent share in total FDI during the period, Delhi finished second with a 12 per cent share. Gujarat comes fifth with 6.44 per cent and Karnataka ranks fourth with a share of 8.26 per cent in the FDI pecking order during the period. In domestic investment too, TN finishes third with an 11 per cent share as of March 2004. Maharashtra tops the list with 13 per cent and Gujarat comes third with a 9 per cent share. Karnataka ranks fourth with 7.5 per cent and Andhra Pradesh finishes fifth with a 7.1 per cent share in the domestic investments list. (*TN tops FDI list for southern states, ranks third in the overall list, P. Vinod Kumar, FE.B, 23.8.04, C 10*)

In its 2004 World Investment Report released here, Unctad said world FDI flows have shifted from manufacturing to services, cornering nearly 70% of the FDI. The report showed that FDI inflows to India grew by 24% to \$4.26 billion in 2003 over \$3.44 billion



in 2002, putting India among top 10 FDI destinations among developing economies and fourth among Asian nations.

As per international norms, FDI should include fresh inflows, re-investments and borrowing by foreign subsidiaries from their parent companies, whereas India only takes into account new inflows. According to the Unctad estimation, the declining trend of FDI flow worldwide will reverse in 2004 as world economies have shown some encouraging figures this year. "Global inflows of FDI declined in 2003 for the third year in a row prompted by a fall in FDI flows to developed countries. According to a Nasscom report, during the past decade the value of exports of software and services jumped from less than \$0.5 billion to \$12 billion in 2003 - 04. (*India Among Top Four FDI Sites In Asia, FE.B, 23.9.04, C10*)

### **C 11 Liberalization Policies**

Coastal Karnataka has enormous potential for becoming a great regional hub and a creative melting pot and economic powerhouse. Dakshina Kannada, Udupi and Uttara Kannada districts hold out immense promise for investments in tourism, agri-business, food processing, IT and IT-enabled services, and biotechnology sectors. The proposed Export Promotion Industrial Park (EPIP) and special economic zone (SEZ) will bolster the economy of the region and provide vast opportunities for downstream industries. The coastal area should not be regarded as a "captive colony" for the use of its resources. (*Infrastructure development vital for coastal region growth, BL.B, 12.1.04, C 11*)

The New Foreign Trade Policy aims to double India's percentage share of global merchandise trade by 2009 and spur economic growth with a thrust to employment generation. While trying to integrate trade policy with economic development. The first National Foreign Trade Policy, unveiled by the Commerce Minister, M. Kamal Nath, on August 31, which replaces the 2002-07 Export Import

(Exim) Policy, heralds a major shift in the Government's thinking on the country's foreign trade.

Over the past few years, efforts were made to liberalize trade policies by removing quantitative restrictions on imports and lowering import tariffs. But the accent remained mostly on earning foreign exchange for the country. However, the policy has, for the first time, tried to integrate the trade policy with the process of the country's economic development.

While economic reforms since 1991 tried to make a decisive break from more than four decades of inward orientation, the economy, even today, is hardly in the reckoning as significant players on the world scene. India's share in the world exports is a meager 0.8 per cent compared to China's 5.1 per cent. Exports accounted for just around 10.3 per. cent of GDP in 2002-03, while imports were valued at 12.8 per cent. The new policy makes an effort to change the mindset and view trade as an engine of growth by emulating the examples of Japan and China.

### **Objectives and strategies**

The policy is built around two major objectives:

- to double India's percentage share of global merchandise trade by 2009; and
- to act as an effective instrument of economic growth by giving a thrust to employment generation, especially in semi-urban and rural areas.

Important among the strategies spelt out to achieve these goals are unshackling of controls, simplifying procedures, bringing down the transaction costs, and facilitating development of India as a global hub for manufacturing, trading and services. In a major move towards unshackling of controls, all goods and services exported, including those from Domestic Tariff Area (DTA), have been exempt from service tax and all exporters with minimum turnover of Rs 5 crore and good track record have been exempted from furnishing bank guarantees



in any of the schemes so as to reduce their transaction costs and procedural delays.

The policy also aims at neutralizing the incidence of all levies and duties on inputs used in export products, based on the fundamental principle that duties and levies should not be exported along with products and services.

### ***Thrust areas***

The chosen five thrust areas to promote employment-intensive exports are: Agriculture, gems and jewellery, leather and footwear, and handloom and handicrafts. A day after the announcement of the policy, the Commerce Minister<sup>1</sup>, indicated that the Government would also bring out special packages for textiles, tea and coffee to boost 'their exports. Further, more thrust areas could be identified in the coming days.

A welcome feature of the package for agriculture under the scheme called "Vishesh Krishi Upag Yojana" is the accent on flowers, fruits, vegetables, minor forest produce and their value-added products and not on food grains. Exports of these products would qualify for duty-free credit entitlement equal to five per cent of the FOB value of exports. Moreover, capital goods imported under EPCG (Export Promotion Capital Goods) scheme for agriculture would not attract any duty.

There is now a growing realization that agri export thrust will be meaningless unless the sector's productivity is not enhanced through increased investments in irrigation and R&D. Also, a number of studies have emphasized time and again the need to shift from food grains to other crops which are more labour absorbing and which could yield higher incomes. These include vegetables, floriculture, horticulture, animal husbandry and fisheries. Similarly, more employment could be created in rural areas by encouraging post-harvest processing for exports. The incentives offered to handloom and handicrafts, which are the predominant segments of India's cottage industry include

duty-free import of trimmings and embellishments up to five per cent of FOB value of exports, which would also be exempt from countervailing duty (CVD); and authorisation to the Handicraft Export Promotion Council to import trimmings, embellishment samples for small manufacturers, who are unable to do this on their own. It has also been decided to establish a new Special Economic Zone for handicrafts. Promotion of handloom and handicrafts should help generate more employment opportunities in semi-urban and rural areas.

### ***Services exports***

The trade policy has drawn up an ambitious scheme to provide a major thrust to services exports since they account for over 50 per cent of the country's GDP now. For this purpose, it is proposed to create a 'Served from India' brand, and set up an exclusive export promotion council for services sector along with schemes to assist and promote homegrown service providers.

The Council is expected to map opportunities for key service in key markets, and develop strategic market access programmes, including brand building in co-ordination with sectoral players and recognized nodal bodies of the service industries. Also, Common Facility Centers would be set up for use by home-based service providers, particularly in areas like engineering and architectural design multi-media operations, software developers etc, to draw a vast multitude of home-based professionals into service export arena.

It is expected that the new policy will help broad-base services exports from the country, which are currently dominated by software exports. The expectation is that services exports will grow to \$150 billion by 2009 in which software services will account for about \$65 billion.

### ***The other highlights of the policy include:***

- A "Target Plus" scheme to reward exporters achieving a quantum growth in exports;



- A new scheme to establish Free Trade and Warehousing Zones (FTWZs) to create trade related infrastructure and to make India a global trading hub;
- A scheme to set up biotechnology parks enjoying all facilities available to 100 percent Export Oriented Units (EOUs); and
  - Revamping the Board of Trade and assigning it a clear and dynamic role.

### **Tasks and challenges**

At the outset, the task of doubling the value of merchandise exports by 2009 appears quite daunting. In 2003-04, India's merchandise exports were valued at \$63.45 billion, accounting for 0.8 per cent of world exports. If this share were to double to around 1.5 per cent by 2009, the country's exports would have to rise to around \$150 billion by then taking into account the expected growth rate in the world trade over the next five years. To achieve such ambitious export target, there should be massive investments in infrastructure and far-reaching changes must be effected in the domestic policies, including early deregulation of internal market. Some of the areas that will need early action include removal of SSI reservations in most products to allow for economies of scale, change in exit policy, and changes in labour laws.

There is a need to push ahead with the much-needed tax reforms to make Indian industry more competitive. These include implementation of a full scale countrywide value-added tax (VAT) on all goods and services and scrapping of all other indirect tax levies by the Central and State Governments and moving towards a low single tariff rate on all imports instead of charging different rates for different products. This will do away with most procedural delays and help reduce the rampant corruption.

Also, the special packages, sectoral sops and the plethora of export promotion schemes, tax incentives, import entitlements and so on, which were designed in an era of stringent import controls and recurring foreign exchange

Shortages, have outlived their utility. Though many of these schemes were intended to be transitional, they are still continuing because of strong lobby pressures rather than their economic merit. A case in point is the controversial duty entitlement passbook (DEPB) scheme, which is being widely misused. The various export incentives cost the Government about Rs 40,000 crore per year and the DEPB scheme alone accounts for about Rs 11,500 crore.

Clearly, the time has come for India to get away from the traditional concept of trade promotion through the plethora of sops and to focus on making the Indian industry globally competitive. For this, the industry needs a level playing field, freedom to decide on growth strategies, adequate infrastructure support in the form of modern highways, good roads, world-class ports and, above all, good quality power supply at reasonable rates. Hopefully, the high-powered committee on infrastructure, set up by the Prime Minister, Dr Manmohan Singh recently, will take a fresh look at the gaps in infrastructure, including the power sector reforms. Unfortunately, the country's "Foreign Direct Investment (FDI) policy is mired in needless controversy because of the stand taken by the Left parties that are supporting the coalition Government from outside. Even after nearly a decade and a half of launching of the process of liberalization and globalization, India has not been able to attract FDI on any significant scale.

A more aggressive push to FDI is needed both for achieving a higher GDP growth and increasing exports of industrial and agro products. For FDI is important not only to increase the rate of investment in the economy but also for inducting new technologies and management practices, and scrapping obsolete and sub-critical capacities. (*New Foreign Trade Policy, Viewing trade as an engine of growth, S.D.Naik, BLB, 11.9.04, C 11*)



Though bristling with schemes and plans, the Foreign Trade Policy neither offers convincing steps to substantially cut transaction costs nor spells out international economic strategy. The Foreign Trade Policy (FTP) unveiled on August 31 hopes to double the country's percentage share of global merchandise trade within the next five years, while ensuring export-oriented economic growth and employment generation. The easy part of the Policy is the identification of the special focus sectors. These are agriculture, handlooms, handicraft, gems and jewellery, and leather. In agriculture, the focus is on fruits, vegetables, flowers, minor forest produce, and their value-added products. Development of Agri Export Zones and duty free import of capital goods are part of the package for agriculture.



Handlooms, handicraft, gems and jewellery, and leather have all along been part of the export policy discourse. What, then, is the value addition in FTP? In handlooms, for instance, the FTP says, "New Handicraft SEZs shall be established, which would procure products from the cottage sector for finishing and exporting." Duty free imports of select inputs such as gold of 18 carat and above are to be allowed to promote gems and jewellery exports. The FTP also notes that cutting and polishing of gems and jewellery will be treated as manufacturing for the purposes of certain exemptions under the Income-Tax Act. The FTP is not just commerce; there is considerable linguistic enthusiasm expressed in regard to developing Pragati Maidan. It is to be transformed into a "world-class complex (with) brand new, state-of-the-art, environmentally-controlled, air-conditioned exhibition areas a large convention center to accommodate ten thousand delegates multiple and flexible hall spaces, auditoria and meeting rooms with hi-tech equipment year-round food and beverage destination

with a large number of stalls covering all cuisines and pricing levels and a multi-level park to accommodate over nine thousand vehicles."

The FTP is not lacking in the provision of promotional measures. For instance, the Department of Commerce has formulated a scheme called Assistance to States for Infrastructure Development of Exports (ASIDE). Funds under ASIDE will be available for States to develop export-oriented infrastructure. In addition to ASIDE, the Department also provides direct assistance to exporters under the Market Access Initiative (MAI) scheme and the Marketing Development Assistance (MDA) scheme. Then there is a scheme for recognition and promotion of "Towns of Export Excellence," and a slew of facilities and privileges for various grades of "Star Export Houses".

For promoting services exports, the FTP envisages the setting up of the "Export Promotion Council for Services". Many exporters of services will be allowed duty credit entitlements under what is called the "Served from India Scheme (SIS)". Similar to the SIS, there is the Target Plus Scheme (TPS), which allows duty credit entitlement (as a percentage of the incremental growth). Special Agricultural Produce Scheme (SAPS) also has duty entitlement provisions to promote export of fruits, vegetables, flowers, minor forest produce, and their value added products. Also, FTP has one whole chapter (Chapter 4) on duty exemption and remission schemes and another (Chapter 5) on the Export Promotion Capital Goods Scheme. The FTP has special provisions for Export Oriented Units, Electronics Hardware Technology Parks, Software Technology Parks and Bio- Technology Parks; and the much-touted Special Economic Zones. The Chapters concerned provide the relevant rules and regulations, notably in regard to their operations (sales in and purchases from) in the Domestic Tariff Area.

Updade



The Commerce Minister's preamble to the FTP outlines a strategy for export growth that includes the unshackling of controls, simplifying of procedures, neutralizing incidence of all levies and duties on inputs used in export products, identifying and nurturing special focus areas with scope for additional employment opportunities, facilitating technological and infra structural up-gradation, and "activating our embassies as key players in our export strategy and linking our Commercial Wings abroad through an electronic platform for real time trade intelligence and enquiry dissemination." A close look at the FTP shows that the policy is rich in words and one must wait for actions and results. There is bound to be considerable success in regard to setting up more zones (at times it could mean plunder of valuable land) and spending crores of rupees in the name of facilitation. One is at a loss to decipher how the FTP will help in unshackling of controls and simplifying procedures. The best way to gauge them is by looking at how far the interface of exporters with government departments, officials and procedures is minimized in order to bring down the transaction cost. It is difficult to see effective and convincing links between the FTP and substantial reduction in transaction costs.

The FTP indeed identified once again the focus areas - about the same as on previous occasions when trade policy announcements were made. Identification of focus areas, however, is not the same as articulating an effective international economic strategy. The FTP had taken one exemplary step insofar as the preamble speaks about "activating our Embassies as key players in our export strategy" and the idea ends with the preamble.

Exporting successfully involves at the government level, the articulation of an international economic strategy - comprising the diplomatic community's efforts on such endeavors as visa-free entry for accredited representatives of major importers of goods

and services, arranging for export oriented foreign investments to produce and export from the Indian soil, exploring vibrant free trade agreements in goods and services, and lining up domestic investor interest for producing exclusively for export even if those goods are not part of the Indian consumption basket. To illustrate the last point, one should note that a few decades ago Japanese exported nylon saris to South East Asia and West Asia for sale to discerning Indian tourists and residents, notwithstanding the fact that the Japanese women never patronized the sari. Early this year I found in the famed Barnes and Noble bookshops in the US such classics as Shakespeare. They are beautiful pocket books with gold coating on three sides. They are priced low and to sell. They were made in China.

The preamble to the FTP also speaks about "linking our Commercial Wings abroad through an electronic platform for real time trade intelligence and enquiry dissemination." If taken seriously, this is a very important activity given that all sorts of non-tariff barriers and other innovative obstacles to trade will take over in the wake of reduced tariffs under the WTO regime. We need to know first who is buying what and from whom and, then, why. For the first, one may need to look no further than the Internet; UN data are readily accessible as long as electric power and phone lines cooperate. For the second, the Internet will be of limited help and needed are dedicated Foreign Service officers supplying the right information at the right time. *(Foreign Trade Policy, Long on intent, short on strategy, Bhanoji Rao, B.L.B., 28.9.04, C11, The author, formerly with the World Bank and the National University of Singapore, is Professor Emeritus, GITAM Institute of Foreign Trade, Visakhapatnam.)*

### C 23 Railways

The Indian Railways has opened the International Tourist Bureau (ITB) at the station to help foreign tourists plan their travel and buy tickets if they have a valid



passport and tourist visa. However, everyday touts do not even let tourists reach this bureau, which is located on the first floor of the station building. Miranda, a mid-wife from London, who was traveling to Agra, said: "My husband and I had a harrowing time here. We saw the board directing us to the bureau, so we started going there when a number of people approached us and told us that it was closed. We believed them and were about to start bargaining about the deal when some official told us that this is just another ploy. We reached the bureau only to find it open and working." Pierre, a French national who is on his first trip to India, was taken aback when he visited the station. "I had visited the website and had got a clear indication of how I would be able to reach. But when I came here I saw a lot of construction underway at the station. Then a man told me that the office was closed. I wanted to book a ticket for Jaipur but what the man was offering was five times the fare that the hotel had told me about. So I decided to explore more. Then I asked at the inquiry counter and was directed to the office which was open." Manager of ITB, Sunita Matta, said: "We are aware of the problem. When some tourists complained to us we realized that it is an organized manner of operation. So we have now put up small boards at places informing them not to believe anyone who tells them that this bureau is closed. We have mentioned timings also for the benefit of tourists. (*Touts stand guard at Rly Station, Foreigners Almost Never Reach International Tourist Bureau, Nidhi Sharma, TOI.D, 6.9.04, C 23*)

The Railways have decided to develop 317 stations with high passenger traffic, out of a total of 1,8,000, as model stations by March 2005. The stations will have special facilities for the disabled such as ramps, toilets, lowheight taps and parking lots. So far 33 stations have been developed and work is progressing at the others. An official release said the Railways will absorb the increase in its working expenses, including fuel cost, especially high-speed diesel, which caused an

increase of over Rs. 365 crores in the current fiscal. (*Model rail stations to be developed, TH.D, 9.9.04, C 23*)

Following the commencement of its first 'Railotel' Project in Kumta - the Konkan Railway Corporation Limited (KRCL) is on the look out for private sector participation from domestic and non resident Indian (NRI) hoteliers in order to strike an alliance for future 'Railotel' projects. Industry trends indicate that budget hotels around railway stations in most cases taste success. It is a great opportunity to the budget hotelier looking at an expansive target base, SV. Ingle, chief commercial officer, KRCL told. 'Purnima Railotel', the first Konkan Railways 'Railotel' project, was launched in Kumta near Gokarna. (*Konkan Railways "Railotel Projects Seeks Pvt Alliance, Savio Rodrigues, FE.D, 22.9.04, C 23*)

#### C 23 a Palace on Wheels and Royal Indian

After a lull, foreign tourists are returning to Rajasthan in droves. In fact, that the popular luxury train Palace on Wheels (POW) has had to make advance bookings for the next three years. Spurred by this unprecedented rush, Rajasthan Tourism has decided to hike fares from the current \$ 350 per person by 10 percent from the next fiscal. "We have already got 300 bookings for 2006-07 and about a 1,000 plus for 200506," Usha Punia, state minister for tourism told. (*Palace on wheels drives up tourist arrivals in Rajasthan, Sanjay Thapa, FE.D, 7.9.03, C 23 a*)

#### C 24 Civil Aviation

The Centre has agreed to grant Rs55 crore for the construction of the second airstrip at the Mangalore airport, according to PG R Sindhia, Karnataka's minister for industries, infrastructure and development he also said that "this was a long-standing demand by the state government as the current airstrip at the Mangalore airport is short and requires a good back-up in the form of a second runway." Referring to his recent deliberations





with Union minister for civil aviation Praful Patel, Sindhia said that the Centre has agreed to upgrade the Mysore and Hampi airports. Both these locations are a major attraction for tourists from around the world. "The Union minister has agreed for upgrading the facilities at these two airports. The ministry has also agreed to provide night landing facilities at the Hubli airport," Sindhia said. *(Rs 55cr gram M'lore airport, Central govt's grant for airport's second airstrip, BS.B, 1.7.04, C 24)*

The decision to develop the Safdarjung Airport area hangs in balance. Union Minister for Civil Aviation Praful Patel decided to "scrutinize the high-security zone and proposals made for the development of the area". Patel had said his ministry was considering various proposals for developing the non-operational part of Safdarjung Airport, which included setting up of a cultural centre. He, however, added that the airport would not be closed for operations. *(Safdarjung Airport to stay open, Sheila wants a cultural center, IE.D, 27.8.04, C 24)*

A string of bilaterals, significant air capacity addition and a buoyant tourism industry failed to shore up the air traffic movement in the country during 2003-04. According to the annual report of the civil aviation ministry, the passenger traffic at Indian airports (both international and domestic) has dropped by 5 million or over 10% in 2003-04. Overall passenger movement at international and domestic airports was 48.69 million in 2002-03 which dropped to 43.72 million in 2003-04.

On the contrary, foreign tourist arrivals increased sharply by 18% from 2.47 million in 2002-03 to 2.92 million in 2003-04, according to figures compiled by the ministry of tourism. This has been partially reflected in the number of passengers handled by international airports, which decreased 11% to 14.82 million in 2003-04 from 16.65 million in 2002-03. Traffic movement in domestic airports too dipped almost 10% to 28.89 million in 2003-04 from 32.04 million in the

corresponding period previous year. According to the report, there is a marked decline in aircraft movement in both domestic and international airports. Aircraft movement at Indian airports (international & domestic) has declined to 5.6 lakh in 2003-04 from 6.3 lakh in 2002-03.

India has recently signed an air services agreement (ASA) with Thailand, which adds up to 101 countries. The government has already permitted designated airlines of all countries having ASAs with India to operate up to seven services per week each to any of two of the 12 international airports on condition of reciprocity.

| Passengers (in Nos)                       | 02-03        | 03-04        |
|---|--------------|--------------|
| International Airports                    | 1,66,50,117  | 1, 48,25,799 |
| Domestic Airports                         | 3,20,41,2132 | 88,97,525    |
| <i>Source: Ministry of Civil Aviation</i> |              |              |
| Foreign Tourist Arrivals 2.47m 2.92m      |              |              |
| <i>Source: Ministry of Tourism</i>        |              |              |

*(The tourists are coming, but not by Air, Rajeev Jayaswal, FE.D, 11.9.04, C 24)*

India has approximately 120-130 aircraft while China has 600. Our business here could grow in multiples of \$240 million. We see the number of aircraft doubling from 120, but continued easing of regulatory policy is needed." Anil Chawla, chief executive officer of GE Commercial Finance-India and Southeast Asia, added: "Look-at what is happening around us. The no-frills carrier growth story has not been tapped yet."

#### **A sea of opportunity**

- One out of 10 planes fly ill as GE connection
- Operates in 60 countries
- Asset base \$35bn, \$500 m net
- Globally \$5 bn invested in corporate aviation
- In talks with several bidders for India's airport modernisation
- In talks with Kingfisher Air

Chawla is also betting big on corporate aviation as well where they have recently done a Falcon Dassault for Taj Air, Navin Jindal's Cessna Citation CJ 2 and a Gulf stream V for a large industrial house. GECAS wants' to be an integrated financier for the aviation sector. The company is also in a dialogue with several of the bidders for India's airport modernisation programme. Liu said: "We will act as a secured debt 'financer for equipment, cargo-related Operations security and sensors et al." (*GE eyes Indian aviation deals, in talks with airlines to tap huge growth potential, Sandeep Bamzai, HT.D, 17.9.04, C 24*)

### C 30 Tourism Industry

Finance minister P Chidambaram on 4.8.04 cleared 46 proposals of foreign direct investment (FDI) amounting to Rs 408.22 crore. The major FDI proposals pertain to the sectors of shipping, tourism, non-banking financial companies and software development, according to an official release. The biggest FDI proposal, worth Rs 317.8 crore, is from the Denmark-based Maersk for the setting up of a new joint venture. This is for the redevelopment of bulk terminal to a container terminal in Mumbai. The second largest FDI proposal, worth Rs 50 crore, pertains to the enhancement of equity of Germany-based BMW Holding from 50 per cent to 100 per cent by way of acquisition. The Indian partner is Birla Home Finance Ltd. The next substantial FDI, proposal amounting Rs 20 is from the Mauritius based Two Seas Holdings Ltd for the development of a deluxe international five star hotel in Mumbai. The Indian partner is Juniper Hotels. (*Govt. Clears 46 FDI Proposals Worth Rs 408 Cr, FE.B, 5.8.04, C 30*)

### C 41 Labour Policy, Legislation, Laws and Implementation

As part of the common minimum programme, the Union Government is giving final touches to draft umbrella legislation for increasing productivity in small and unorganized sector and providing social

security to labourers in these sectors. The law will include the agriculture sector as well the draft bill may be placed before the Cabinet committee this year itself. Following the recommendation, the Labour Ministry under the NDA Government had drafted a Bill for "umbrella legislation" at the end of 2003. The Bill, however, failed to receive the Cabinet approval Stating that there were many differences of opinion among trade unions, entrepreneurs in small and cottage sectors, and the State Governments as regards the previously drafted bill, sources said that in its fresh attempt, the Ministry was trying to iron out the differences first. (*Draft Bill on social security for unorganized sector soon, Pratim Ranjan Bose, BL.B, 10.3.04, C 41*)

The Supreme Court has held that "employees performing similar jobs but having different educational qualifications can be treated differently" with a higher pay and the doctrine of "equal pay for equal work" would not apply. A three-member Bench, comprising the Chief Justice V.N. Khare, Justice S.B. Sinha and Justice S.H. Kapadia, said that "the holders of a higher educational qualification can be treated as a separate class and such classification, it is trite, is reasonable". The applicability of the doctrine of "equal pay for equal work" on the touchstone of Article 39 (d) read with Article 14 of the Constitution would have to be considered on the premise that except disparity in educational qualification, the nature of work performed was identical. The Bench gave the ruling while dismissing the petition from the Madhya Pradesh Rural Agriculture Extension Officers Association challenging a decision of the State to prescribe separate pay scales for graduates and nongraduates, though both performed identical jobs.

Upholding the Government decision, Mr. Justice Sinha, writing the judgment for the Bench, said, "Article 14 (right to equality) does not forbid a reasonable classification. It forbids class legislation but permits reasonable classification subject to the

conditions that it is based on an intelligible differentia and that the differentia must have a rational relation to the object sought to be achieved." Such a policy decision *ex facie* could not be termed to be arbitrary or irrational, attracting the wrath of Article 14 of the Constitution. A valid classification could be made on the basis of their educational qualification despite the fact that the employees had been performing similar duties and functions, the Bench said.

*(Where equal pay for equal work does not apply, TH.B, 8.4.04, C 41)*

### CO Companies

There has been an increase in international clients in the properties of East India Hotels (EIH) Ltd following their strategic alliance with Hilton International. Rattan Keswani, senior vicepresident, Oberoi Hotels and Resorts says, "We were expecting a raise in clientele with this alliance. Though it is too early to find a trend and get essential data, we have seen an increase in customers. The Hilton network has kicked in and people who prefer staying at the Hilton are making their way here (Hilton Towers, Mumbai). The Trident Hilton Gurgaon has also seen a rise in foreign and domestic clientele due to industries set up there." The Hilton Towers, Mumbai is enjoying a 73 per cent occupancy rate, an increase of 20 per cent over the previous years. The growth however is common to the industry and Mr. Keswani says, "We will have to wait until November

to get definite trends. The 20 per cent increase in tourists is common across the industry. Tourists from UK, France and US have been the largest markets for EIH Ltd with Japan, South America and Africa opening up newer markets for the company." *(International Clients At Oberoi on The rise post Hilton deal, Mahesh Tharani, FE.B, 29.6.04, CO)*

Taj Group, belonging to India's biggest hotel chain, India Hotels Ltd, has decided to set up four economy hotels popularly known as Taj Budget Hotels in Uttaranchal shortly, according to Uttaranchal Tourism Development Board, additional chief executive officer AK Ghosh. "The Uttaranchal government has already finalized with the Taj Group for setting up these four budget hotels in the state, two of which will be located in the Garhwal region and the other two in Kumayun region". He said that the Uttaranchal government has allotted Rs 38 crore for the development of tourism sector for the current financial year of 2004 -05. "The Union government has also committed to provide Uttaranchal government with Rs 12 crore for the current fiscal, which is much higher than the amount provided by it during the last few years. He said that from 1991 to 2000, Union government's allotment was Rs 6.5 crore, from 2001 to 2004 it was Rs 12 crore. *(Taj to Set Up 4 Budget Hotels In Uttaranchal, Sumanta Ray Chaudhuri, FE.B, 21.8.04, CO)*

## D TOURISM PROMOTION AND TYPES OF TOURISM

### D 00 Tourism Volumes and Patterns

Close on the heels of Haryana launching farm tourism, Delhi is soon going to promote some of its villages as a tourist attraction. The concept is part of Union Tourism Minister Jagmohan's decision to allot Rs 50 lakh to states to promote villages. "We have identified village Nangli Razapur that's off Mathura Road near Sarai Kale Khan ISBT. This village was chosen because of its strategic location. "Foreign tourists going to Agra can easily stop here and get a glimpse of rural India. Orissa and West Bengal have

already had success with village tourism," *(Govt. Plans 'village tourism', Sautabh Sinha, HT.D, 13.2.04, D 00)*

In a move to boost tourism in the country, parks are being renovated and heritage sites spruced up. Even the tour guides and taxi drivers are educated on tourism and customer care, which would definitely boost domestic and foreign tourism. (Project to boost tourism. This forms a part of an Rs 500-crore project being implemented throughout the country, said Assistant Director of



Tourism, Government of India, V Ezhumalai.  
(*Project to boot tourism, I.E.C., 5.3.04, D00*)

Indians may not constitute the largest tourist and business traveller community to Singapore but they definitely represent the highest spending foreign group at S\$1500 per head for a four to five day spell, compared to the global average of S\$700 for 3.5 days. The expenditure includes nearly 70% towards shopping, which is lower than some years back when the share was even higher at around 80%.

The first half of 2004 has shown 22% growth in Indian arrivals, (2,35,000) into Singapore over 2002. The month of July alone has shown a 38% rise in numbers. The drivers this year have been MICE (Meetings, Incentive Travel, Conferences etc) and education traffic. Bangalore is emerging as a serious contender in the new segments. Its share of Singapore bound travel was 6% in 2002 (23,341 people) but is expected to grow significantly this year, especially with more air connections available now. (*Desi tourist top spender in S'pore, Girish Rao, ET.C, 21.8.04, D 00*)

Foreign Tourist arrival to India has surged over 22 per cent in the first eight months of the current calendar year to 2.08 million, a significant growth over the 13.5 percent growth in the same period last year. During January-August, 2004 foreign exchange earnings through tourist arrival also registered 35.9 per cent increase at Rs. 14163.14 crore over the previous year, says the latest figures released by the government. In the first half of 2004, the foreign exchange earning from tourist has increased by 31.8 percent at Rs 9,985.99 crore as against Rs 7,576 crore in the corresponding period in 2003. The growth in tourist arrival has been attributed to the increased advertisement and popularizing drive by the government in the recent past. (*Tourist arrivals surge 25 percent in first 8 months, The Statesmem.D, 9.9.04, D00*)

## D 11 Festivals-India

So what if the country's broken pearl chain is strewn miles away from the mainland? Sans the existing six kinds of aboriginal tribes, the inhabited 36 islands out of the total 572 identified islands of Andaman and Nicobar come together in complete harmony to celebrate the Island Tourism Festival, aptly bagging the name 'Mini India' in the islands. These islands have an amazing mix of race and culture, with people of all faiths and languages like Hindi, Bengali, Malayalam, Tamil, Telugu, Punjabi, and Nicobari living in complete peace. (*Andamans: not tourism fest but a get together, Paawana Poonacha, ToI.B, 27.1.04, D11*)

The six-month long Taj Mahotsav, to celebrate the 350th anniversary of the Taj Mahal, got off to a bad start on Monday, with the President and central ministers keeping away from the inaugural show and the Uttar Pradesh government having to carry it off alone. With the Supreme Court not allowing night-viewing and festivities to be held near the Taj without clearance from the Archaeological Survey of India and security clearance from the Union Home Ministry, the grand festival plans seem to be mired in confusion now. The UP government had allocated Rs 5 crore for the Mahotsav, as part of the yearlong celebrations.

The reluctance of the authorities to permit large-scale celebrations at the Taj is understandable as the 1995 concert by Greek musician Yanni brought in its wake complaints from environmentalists that sound vibrations had damaged the structure. The Supreme Court also stopped the controversial Rs 175 crore Taj Heritage Corridor project initiated by the earlier UP government, with complaints that the project would have destroyed the marble structure. The guiding principle in all such endeavours connected with the Taj is the Ancient Monuments and Remains Protection Act, 1958, which forbids construction within 100 metres of the two world Heritage Site monuments, the Taj Mahal and the Agra Fort, and



regulates the work within 200 metres radius. Weathering all onslaughts since its completion 350 years ago, the Taj Mahal has managed to remain unscathed, all these years. Mughal emperor Shah Jahan got the Taj Mahal constructed over 22 years at a cost of Rs 4.2 crore over the tomb of his beloved Mumtaz Mahal. One of the Seven Wonders of the World, the Taj Mahal attracts nearly 14,000 domestic and foreign tourists visiting the monument annually. A fine balance must be struck between protecting the monument and allowing celebrations, which will bring tourists, and in turn revenue to the exchequer.

*(Festival Fiasco, The Taj Mahal is too precious, a heritage site for mindless festivities, DH.B, 29.9.04, D 11)*

#### **D 20 b Recreation and Theme Parks**

A part from the holiness associated with it, pilgrimage center Haridwar was recently blessed with a new attraction. An amusement park-right next to the temple complex, so, once you've offered your prayers you have an opportunity to unwind! The amusement park at Haridwar is one among the many that constantly keep springing up across the country. Today nearly every city boasts of medium to large-scale theme or water parks. Estimates about the exact size of the industry are vague, but the Indian Association of Amusement Parks and Industries (IAAPI), formed four years ago, estimates it to be worth over Rs 1,500 crore. It claims that the industry is growing at 40 per cent per annum. The association puts the number of parks at 100, excluding the innumerable small parks in resorts and hotels across the country. Rs 1,500 crore is no mean amount, but the industry remains largely unregulated and subject to high taxation, thus hampering its growth prospects. "We feel like orphans," says Ashok Goel, director, Essel World. We are seeking a regulatory framework that doesn't create impediments, but at the same time, rationalizes the taxes we have to pay."

While all players agree that the industry may take another five years to mature, they want

the centre to show the way. The IAAPI has been constantly approaching the government for a uniform tax structure. This should help reduce tax and make their parks more viable. That may finally attract the elusive foreign investors. Also, concerned about the lack of safety regulations' for amusement parks, the association has submitted draft safety rules to the Bureau of Indian Standards (BIS). Pending cabinet approval, the rules will become applicable by law. *(Roller coaster ride, High taxation, lack of government Support hasn't stopped the amusement park industry from growing rapidly, Shefali Anand, IE.D, 29.1.04, D 20 b)*

The Survey of India, the country's apex mapping agency without which most of the scientific and planned development would not have been possible, is developing a theme park the Garden of the Great Arc -" over 55 acres of wasteland on its campus here. The Great Indian Arc grew from the baseline measured at St. Thomas' Mount in Madras in 1802 and spread across the entire length of the subcontinent to reach its pinnacle in the hills of Mussoorie above the Doon Valley around 1850. This gigantic task undertaken by the Survey of India became the basis for topographical mapping of the Indian subcontinent. The garden will have a visitors' centre, a restaurant, an amphitheatre, a wetland with special plants, herbs and aromatic plants, a butterfly garden, a rock garden and deciduous trees. Since it will be located next to the National Institute for the Visually Handicapped, a section will be devoted as a nature study area for the visually challenged persons. *(A theme park for Dehra Dun, TH.D, 9.4.04, D 20 b)*

#### **D 20 d Heritage Tourism**

Realizing that the new State of Chhattisgarh was "full of surprises" - some three years after it was carved out of Madhya Pradesh - the State Government has started a move to declare it 'as a Heritage State. A proposal in this regard was recently submitted by the Chhattisgarh Government to UNESCO. Though there is still a long way to go because

D a c W p d a d t r





of the 'rigorous and cumbersome' process adopted by UNESCO the Chhattisgarh Tourism Board Managing Director, A. Jayathilak, claimed that the 'unchartered' heartland of the country had all the features of becoming a Heritage State as it was endowed with rich cultural heritage and attractive natural biodiversity. Having ensured 'success' of tourism in Kerala as a lead team member there, Dr. Jayathilak said the Chhattisgarh Government was working hard and 'had recently taken several initiatives in this regard.

Already having an excellent network of roads as compared to other parts of the country, he said the Chhattisgarh Government has identified 10 tourism roads. Though less than two per cent of the overall budget of the Public Works Department of Chhattisgarh is demarcated for construction of tourism roads, he said this was sufficient to attract a large number of tourists as world-class tourist facilities, signage's and public conveniences were also being developed simultaneously. Besides taking a number of tax saving initiatives and giving industry status to tourism, the Chhattisgarh Government has initiated public private partnership to not only attract tourists, but also preserve and maintain the rich cultural biodiversity and heritage of the State. For instance, the task of excavating an ancient Buddhist site has been given to a non-governmental organisation. At the same time, he said measures were being taken to ensure that the large-scale tourist flow had no adverse impact on tribal culture and heritage. "Tourism is being developed in close consultation with tribal Panchayat," he informed. (*Chhattisgarh to become Heritage State, Lalit K. Jha, TH.D, 2.2.04, D 20 d, S20*)

#### **D 20 e Pilgrimage Tourism**

The Union Tourism Minister, Jagmohan, has suggested that a Board for promotion of spiritual tourism be set up in Rajasthan on the lines of a similar Board established in Uttaranchal for development of four 'dhaams' (pilgrim centres). The Centre would assist in

the Board's establishment and provide financial assistance to the State. Mr. Jagmohan made the observations during a meeting with the Governor, Madan Lal Khurana, recommended that a comprehensive plan be formulated for development of pilgrim centres in Rajasthan as the spiritual tourism centres and sent to the Centre for its approval, the Board in Uttaranchal was now taking steps for development of the four dhaams of Gangotri, Jamnotri, Kedarnath and Badrinath. (*Board for spiritual tourism mooted, TH.D, 25.2.04, D 20 e*)

#### **D 20 f Health Tourism**

While Goa is being touted as a medical tourism destination, the land of the sea, sun and sand now seems to be pushed one step ahead in this direction - recuperation tourism. Indian hospitals are planning to offer quick and cheap medical treatment to British patients, combined with post-operative recreational tours to Goa. The packages are part of a drive by the new Medical Tourism Council of Maharashtra to sell Indian hospitals as a cheaper, quality alternative to a long-wait on the National Health Service in Britain. Patients will be able to choose their doctor and hospital on a website in Britain and will be met at the airport on arrival in Mumbai and taken to the hospital of their choice. The medical tourism council was set up in November last to market private Indian hospitals in Mumbai. (*Goa promoted as medical tourism destination, Herald. G, 15.2.04, D 20 f*)

'Medical tourism' will account for 3-5 percent of the total healthcare delivery market and could provide as much as Rs. 5,000-10,000 crore revenue to hospitals by 2012. These are among the findings of a study on healthcare carried out by the Confederation of Indian Industry (CII) and the global consultants, McKinsey. The study says India has immense potential to bring in people to utilize the country's healthcare facilities in what is being described as 'medical tourism' even as medical costs skyrocket in the developed world. The CII-McKinsey study says the



existing market for medical tourism in India is small and is mainly limited to patients from the Middle Eastern and South Asian economies. However, it could grow rapidly if the industry re-orientes itself to attract foreign patients. *(Bright scope for 'medical tourism', TH.D, 9.4.04, D 20f)*

India's health care sector has made rapid strides in recent years. This \$17 billion industry, growing at 13 per cent a year, has been attracting patients from all over the world, particularly from Europe and the US, in addition to those from West Asia and neighbouring countries. Many of these patients have endorsed the high quality of medical services at a cost considerably lower than in the West. In addition, India's specialized hospitals have joined hands with the tourism industry to offer the benefits of high-class Medicare, coupled with a stay in soothing and scenic environs. The country has a growing number of scenic spots where a patient can spend time while undergoing treatment by doctors practicing traditional Indian medicines and therapies, like Ayurveda, Siddha, Unani and Naturopathy. In addition, India is also home to practitioners of Tibetan and Chinese medicines and therapies. In the area of allopathic medical practices, India has a large supply base with super speciality hospital services in major cities. This supply base is spread across the country. India has a large supply base in this area, which is available beyond its borders with such a back-up, many non-resident Indians, and even others in the West Asian region, are planning to set up projects here. At present, 15 telemedicine projects are in the pipeline. Some private hospitals, like the Narayana Hrudayalaya in Bangalore, have made arrangements with hospitals in Malaysia for providing the same service from India. *(A dose of Medical Services Can boost Tourism, a healing touch without any cost pangs, FE.B, 22.6.04, D 20f)*

#### **D 20 g Rural Tourism**

The government has initiated a 'rural tourism scheme' in association with United Nations

Development Programme (UNDP) to promote tourism in the country. We have initiated a rural tourism scheme and have tied up with UNDP and department of economic affairs to create tourism software projects. We plan to identify the tourism areas and promote those areas," minister of state for tourism Renuka Choudhary said. The government had identified 31 sites under the scheme and, in assistance with UNDP, has allocated Rs 20 lakh per site for tourism development works. Other schemes in the pipeline include awareness camps, demonstration projects and green rating schemes in addition to a plan, to reduce the pressure of visitors in the popular areas by creating new tourist attractions spots. *(Unbacked Rural Tourism Scheme, FE.D, 26.8.04, D 20g)*

Rural India has much to offer to the world. Rich in traditions of arts, crafts and culture, rural India can emerge as important tourist spots. Those in the developed world who have a craze for knowledge, about traditional ways of life, arts and crafts will be attracted to visit rural India if the concept of rural tourism is marketed well. It is not that the concept is not workable. In absence of any promotional activity for rural tourism, thousands of foreign "tourists visit rural areas in Rajasthan, Gujarat and south India every year. This itself is the proof of viability of the concept of rural tourism.

The government, of late, has realized what the rural India, can offer to the world. The Tenth Plan has identified tourism as one of the major sources for generating employment and promoting sustainable livelihoods. The Union ministry of tourism in collaboration with UNDP has launched the Endogenous Tourism Project linked to the existing rural tourism scheme of the government. The UNDP has committed \$ 2.5 million for the project. UNDP will help in areas of capacity building, involvement of NGOs, local communities and artisans, forge strong community-private and public sector partnerships. The government has decided to



develop necessary infrastructure for facilitating rural tourism. So far the government has identified 31 villages across the country as tourist spots. This does not mean that India has only 31 potential tourist spots in rural areas. There are many more. These spots have been selected on pilot basis keeping in view available infrastructure. There are many other spots of potential tourist interest where adequate infrastructure needs to be developed. The central government has pledged assistance to the states amounting to Rs 0.5 million for developing a site for rural tourism. (*Rural Tourism: It's a Niche That India Can Offer, Ashok B. Sharma, FE.B, 23.8.04, D 20 g*)

### D 20 h Golf Tourism

Golf is much more than just a game. It is a multi-faceted industry and its influence spans various other industries. For instance, golf is about tourism where the ongoing demand across the globe for newer and fresher challenging golf courses fuels multi billion golf specific travels. Of course the US market demands the most golf holidays although most holidays in the US stay within their country which has so much to offer in every season and of course around 25,000 golf courses to choose from. The next biggest market for golf tourists is Europe where the cold winter months cause seasonal migration of millions of "golf birds" to southern Spain and Portugal in particular. Next is Japan and Korea where the expense and severe shortage of courses generates millions of dollars for the tourism industries of Malaysia, Thailand, Philippines and Indonesia. Of course the 12 million Japanese golfers have caused courses as far away as Scotland, Hawaii and New Zealand to put up signs in Japanese. (*Golf vacations are becoming more popular than ever, ET.B, 8.9.04, D 20 h*)

### D 20 i Eco Tourism/Wildlife Tourism

Nature conservation and development have to sail in the same boat. Goa is tiny but its growth potential is high. We have a fragile coastal belt and along the Western Ghat range, particularly along the periphery of the

wildlife, sanctuaries, the State is under the scrutiny of the Supreme Court. Life is traumatic for the people in the mining belt with mining dust and the related pollution, water, shortages and damage to fields and water bodies.

*Need for participatory forestry:* Participatory forestry is the need of the hour. There is a big biodiversity of ideas and thoughts on nature conservation among us. But, who can deny that clean water, clean air and clean surroundings are essential for any human settlement.

(*Eco terrorism grips Goa, Herald.G, 18.1.04, D 20 i*)

Eco-tourism is essentially "nature-based" tourism but it concerns

socio-cultural;  
environment  
conservation too. It follows scientific principles and practices that help avoid or at least minimize the adverse impact on environment. It also follows an aesthetic and philosophical approach. It is based on small group-activity module, which could be implemented only by professional or knowledgeable tourism providers and not by all and sundry. It ensures local community participation and benefits them economically by employment generation and sustainable development. Thus it provides not only enjoyment but also education, to tourists, who observe, experience and appreciate the "value" of Mother Nature and help in nature grand socio-economic and cultural conservation and sustainable development. There should be rationale in the relation between the resource utilization and their renewal possibilities. There should be innovative employment generation without any element of environmental conflict built in it. These three breakdown components should be put into



*...bigger in the brochure.*





force and a scientific analysis and honest data should be available with us. Only then we can say that our tourism practices are well in tune with the principles of sustainable development.

An effective Environment Management System (EMS) increases management capacity of the corporate, protects its basic assets, improves the corporate image, guarantees customer loyalty and of course saves cost. Such culture of practicing EMS should be there in every travel/tourism or hospitality business venture right from its pre-planning stage. Only then eco-tourism will be meaningful.

But how many tourism promotion projects are cleared after ascertaining their eco-friendliness or socio-cultural responsibility. More importantly, how many so-called eco-tourism projects themselves are really worth their title? One of the most vituperative criticisms against tourism industry worldwide is that it is not doing anything in the area of "mismanaged and uncontrolled tourism", which has damaged the environment and corroded local cultures. Yet another censure is against "the darker side of tourism" that it tries to mislead tourists to make short gains by tagging a product "eco-tourism" or whatever! Our eco-tourism packages have drawn more flak than appreciation. (*Eco-tourism for sustainable development, T. Damu, IE.C, 27.1.03, D 20 i*)

Tourism consumes the environment but there is a strict connection between the two." Professor Giulio Querini made this observation while presenting a lecture at the Italian Institute of Culture. Querini, a professor of Economics, said that tourism had a strong cultural impact on southern Italy and manipulation of cultural traditions. "The fastest growing segment in the tourism market right now is cultural and natural heritage. But the natural heritage segment will completely depend upon whether we are successful in protecting our environment and ecology," he said. While emphasizing the

Need for tourism to be involved with the community he talked about the Himalayan tourist code. The international community, said Professor Querini, was extremely conscious of this factor and according to the code asks tourists to help avoid deforestation, keep the water clean and avoid littering the area. (*Protect nature to promote tourism, says Italian professor, IE.D, 11.2.04, D 20 i*)

The Sahara Group is mulling using bamboo as an alternative to timber at its proposed townships across the country. The group is exploring the option of forging an alliance with bamboo plantation owners to source huge quantities of bamboo required for building these townships. The Sahara Group has plans to build 217 townships in India including the big ones like Amby Valley in Maharashtra. The Union government has, of late, identified bamboo as a huge potential market. The world bamboo congress has underlined the potential for bamboos and the country has set a target of expanding the current market of Rs 2,000 crore to Rs 26,000 crore by 2016. Of the 136 bamboo species that are available in India, the government has identified 12 species to grow bamboo wood, which can act as a substitute for timber. He also said that bamboo has certain inherent qualities like soil conservation and water retention properties that make it a good choice for the growers. Efforts are being made to keep bamboo out of the forthcoming Forest Conservation Act. (*Sahara Plans to use bamboo as substitute to timber for proposed 217 townships, Jaidev Majumdar, FE.B, 17.4.04, DO 20 i*)

Worldwide eco tourism is becoming popular, adding to the growth in the global economy and boosting the tourism sector. This concept of eco tourism includes, rural tourism, ethnic tourism, religious tourism, farm tourism, nature tourism and adventure tourism. Tourism worldwide accounts for 10 per cent of the global GDP generating 8 per cent of employment. The multiplier effects of tourism industry adds new dimensions



across different sectors directly and indirectly. In India tourism sector has, of late, started gaining prominence and it has emerged as the third largest foreign exchange earner for the country. With a 14 per cent rise in foreign tourist arrivals in 2003, Indian tourism sector earned \$3.8 billion in foreign exchange, marking an increase of 33 per cent over the previous year. However, India's share of global tourism market is low at 0.38 per cent.

WTO's tourism satellite account (TSA) has predicted by year 2014, Indian tourism industry would generate economic activity worth Rs 7000 billion, provide employment to 28 million people, contribute Rs 2000 billion to GDP,

invest Rs 1660 billion and generate export revenue of Rs 1270 billion. Vision 2020 for tourism in India states that by the year 2020, total number of persons employed in the tourism sector would be 50 million, contribution of tourism to the national GDP will increase to 7 per cent and number of foreign tourists will increase to 40 million.

It is high time that India should come out with its eco tourism policy, which would not only foster eco tourism but also sustainable means of livelihood. *(Policy on eco tourism is the need of the hour, Ashok B Sharma, FE.C, 30.8.04, D 20 i)*

## **E TOURISM, SOCIETY AND IMPACTS**

### **E 01 Environmental Impact of Tourism**

The Supreme Court Monitoring Committee (SMC) on hazardous waste, which asked the Kerala Pollution Control Board to send closure notices to 109 industries in the state, is slated to visit industries and industrial areas in Tamil Nadu shortly. "We intend to inspect industrial areas and major industries including the HAL factory in Kodaikanal, Sterlite Industries in Tuticorin, the leather belt in Ambur/Vaniyambadi and the proposed land fill site (for dumping hazardous waste materials), at Mellakottiyur, just outside Chennai, according to Dr G Thyagarajan. He said almost 80 per cent of the hazardous waste in the country was being generated in five states - Gujarat, Maharashtra, Karnataka, Tamil Nadu and Andhra Pradesh. Among these, Maharashtra has taken the lead in reducing waste and adopting cleaner production technologies. "In our country, even the multinational companies that followed high environmental standards in developing countries did not care to obey such principles", he said. *(SMC on Hazardous Waste to visit Tamil Nadu Soon, Joseph Vackayil, FE.B, 03.9.04, E01)*

### **E01 a Environmental Laws and Policy**

Dark and dry days await Coastal Regulatory Zone (CRZ), violators as the Goa Coastal Zone

Management Authority (GCZMA) has issued notices for disconnection of power and water supply against 12 units during the last two months. Most of the notices have initially focused on violations along Calangute Candolim and Colva-Benaulim belts, action on violations in other coastal areas like Anjuna, Morjim, Arambol, Canacona, Palolem, Sernabatim are in the offing. The GCZMA is now seeking to move for demolitions of the unauthorized constructions as the next step for clearing. Although the GCZMA had been constituted in Goa following the Apex Court directives, the authority had been powerless and unable to act against such illegalities due to lack of cooperation from the Panchayat bodies who it claims are primarily responsible for authorizing construction in each village Panchayat and in the coastal belts. *(Coastal zone violations 'in the dark', Herald.G, 10.2.04, E01a)*

As part of efforts to speedily clear projects, the environment and forests ministry is planning to have single window clearance even though these may be linked to other ministries. Replying to queries by members, environment minister A Raja said, "we are thinking of having a single window clearance for all environmental projects even though it is linked to other ministries and was causing



delay in project implementation" environmental clearance for project proposals is granted usually within the mandated time frame of 120 days from the date of receipt of complete information from project authorities.

The ministry of environment and forests has undertaken various measures to streamline and simplify the environmental clearance procedure with a view to promoting time-bound and transparent decision-making, by amending the environmental impact assessment and coastal regulation zone notifications and making procedural changes. The minister said investment limit for new projects has been doubled to Rs. 100 crore from Rs 50 crore. He said a total number of 250 projects in different sectors are pending for environmental clearance as on June 30 last.

**Foreign tourist arrivals:** There has been a spurt in foreign tourist arrivals in India in the past two years along with the foreign exchange earned from them, the House was informed. While the foreign tourist arrivals grew from 2.47 million in 2002-03 to 2.92 million in 2003-04, the foreign exchange earnings rose from \$3029 million to \$3833.5 million, minister of state for tourism Renuka Chowdhury said during question hour. Health tourism has caught up in a big way in Kerala, Karnataka and Andhra Pradesh, which were promoting themselves as major tourism destinations, she said, adding Kerala had promoted and marketed ayurveda as its core tourism product. **(Single window clearance for Eco-projects on cards, FE.B, 13.7.04, E01 a)**

A draft of the National Environment Policy Prepared by the Ministry of Environment and Forests, - that was put in the public domain for comments has called for reforms in the legislative structure that governs environment, the draft calls for a "holistic and integrated" approach by revisiting all the laws, the institutions that govern, penalties and management techniques used for forests and wildlife. It seeks to:

- Identify newer areas for new legislation based on better scientific understanding while fulfilling needs of economic and social development.
- Review the existing body of legislation in order to develop synergies among relevant statutes and regulations and eliminate obsolescence.
- Ensure accountability of the concerned levels of government in undertaking the necessary legislative changes in a defined time frame.

According to the draft: "the objective is to reduce delays and levels of decision making, decentralization of environmental functions and ensure greater transparency and accountability." It also re-examines the approach to deal with violators of environmental laws and regulations- presently based on criminal processes and sanctions. It argues that although criminal sanctions might have a deterrent impact, in reality they are rarely fruitful. Civil law, on the other hand, offers flexibility and its sanctions can be more effectively tailored to a situation. The policy calls for a judicious mix of both civil liability laws for non-compliance, criminal processes for serious and potentially provable infringement of laws. The draft also calls for reforms in the way environment and forest clearances are done at the Centre. It says regulatory authorities at the local level should be encouraged so that Environmental Impact Assessment can be done at the planning stage itself. **For critique on the Draft National Environment Policy prepared by EQUATIONS refer Annexure 1 (Green belt may see reforms, IE.D, 26.08.04, E01a)**

#### **E 01 b Environmental Issues**

The Deputy Prime Minister, L.K. Advani, laid the foundation stone of the 277 hectares Aravali Biodiversity Park, which will preserve the extinct biotic communities found earlier in the Aravali Ranges. He said the development of the Biodiversity Park was an



able step in the direction of up gradation of the environment. Hoping that the concept would be replicated and emulated by the other States, he also suggested that a film giving information about the concept and its objective be made and shown to all the visitors who visit the Park so that the awareness regarding the benefits of such a project are understood. Averring that thousands of species will be created and nurtured in the Aravali Biodiversity Park, he said it would have besides about 30 biotic communities and 2000 to 3,000 species; it will also have waterbodies, a rock garden, a butterfly park and a safari park. The gathering was also informed that the Yamuna Biodiversity Park in Wazirabad, which came up on an area of 160 acres, would be further extended to 500 acres in the near future. *(Foundation of Biodiversity Park laid, TH.D, 23.02.04, E01b)*

Severe environmental threats such as rise in the sea level and sea surface temperature, and land erosion could render about 30,000 people in the Sunderbans homeless in the islands of the world's largest delta by 2020. The director of the School of Oceanography, Saugata Hazra, said "About four lakh people are already affected in the past few years and more than 600 families have migrated to other islands due to erosion and coastal flooding, while crops and property worth Rs. 950 million have been damaged." We have done a study based on the GIS model about the environmental situation in the Sunderbans. The sea level is rising there relatively at 3.14 mm per annum and the sea surface temperature is rising by .019 degrees Centigrade. *(Sunderbans under threat, TH.B, 6.06.04, E01b)*

The proposed mega project of Sahara India group in the Sunderbans Island, which has been approved by the West Bengal government, might face resistance from environmental groups and Medha Patkar as they fear the project would spoil the fragile ecological system of the region. Sahara India's CEO Subrata Roy; who met Chief Minister

Buddhadev Bhattacharjee at the state secretariat here recently; was quite upbeat about the project, which is estimated to cost around Rs 900 crore. Besides a floating hotel, the project envisages a nature park, boat-ride facilities in the interiors of the island. *(Medha set to take on Sahara India project, DH.B, 12.09.04, E01b)*

The Sethusamudram project, envisaging the much-awaited maritime shortcut between the East and West coasts of the Indian sub continent, has invited the wrath of environmentalists, with the Mumbai-based Bombay Natural History Society (BNHS) coming out strongly against the project. The society is of the view that the project will have serious impact on the marine environment in the region. Moreover, a project of this scale may not be financially viable either. On the environmental side, BNHS pointed out that the project would cause massive migration of fish, mammals and other fauna into deeper gulf regions, reduction in the fishing area and heavy pollution due to the ballast of water of passing vessels. According to the Society, even after the final phase of Sethusamudram Canal is completed within the next 10 years, only ships with maximum 25,000 DWT will be able to pass through it. "This means even our aircraft carrier INS Viraat and many other deep drafted vessels may not be able to negotiate the canal", Mr Unnithan said.

The worst affected will be local fishermen on the ground that the existing fishing areas of local fisher folk would be reduced considerably once the canal is opened for traffic. The Society also disputes the employment generation factor pointing out that dredging, marking and buoying being high tech activity, not much employment generation can be expected. *(Sethusamudram project draws flak from environmentalists, Sanjeev Kumar, TH.B, 30.09.04, E01b)*

#### **E 01 d Wildlife**

The state government will set up the first marine park of the country, costing around Rs 16 crores,



at Britona, with an objective to give boost to the state tourism. The Chief Minister, Mr. Manohar Parrikar has already given the green signal to the project conceived by the Goa Tourism Development Corporation (GTDC), during the meeting of the board of directors of the corporation held in the city. The project would be completed within a period of 2 years. Although the marine park would be set up on the lines of such parks existing in Singapore and Middle East countries, it would display a special character linked to the land. The park would include a number of recreational features such as speed boats, water sports, boats with entertainment performances and so on. *(Nation's first marine park to be set up at Britona, H.G, 01.01.04, E01d)*

Twenty conservation groups from across Asia have formed a network to combat illegal trade in wildlife. "The illegal trade in tigers and turtles, as well as the illegal lumbering of tropical wood, are serious in Asia and most of them are exported to Japan," said Masyuki Sakamoto, Chairman of Asian Conservation Alliance Task Force. We would like to contribute to eradicating illegal trade through the international exchange of information among conservation groups. To prevent wildlife such as elephants, tigers and rare bird species from going extinct as a result of the trade, the network hopes to build a regional conservation framework such as exchanging information on illegal deforestation and smuggling, and conducting long-term observation surveys. The alliance consists of civic groups from China, India, Indonesia, Japan, Malaysia, Nepal, The Philippines, Russia, Singapore, South Korea, Taiwan, Thailand and Vietnam. *(Illegal Wildlife Trade, FE, 08.08.04, E01d)*

#### **E 41 Prostitution and Trafficking (General)**

Major social organizations in the State have jointly formed a Forum for Justice in Baina, which will tackle the problems of commercial sex workers, including rehabilitation and human right violations as they feel that the government has not defined its stand on the

issue. These have been brought to a head by the recent High Court order. The court directed that the cubicles used for the sex trade be closed and rescued commercial sex workers be deported to their native State. The meeting clearly brought out the feeling shared by the NGOs that the State is doing nothing with regard to the rehabilitation of the commercial sex workers (CSWs), and alleged that there have been human rights violations of the CSWs by the State machinery. *(NGOs take up cudgels to defend sex workers, H.G, 14.01.04, E 41)*

A National Human Rights Commission (NHRC) report on 'Trafficking in Women and Children in India' has said that the existing system in the spheres of prevention, protection and prosecution was not adequate to tackle the complex problem in a holistic and right manner. The report, prepared by the Institute of Social Sciences with the financial support of UNIFEM, recommends that all anti-trafficking interventions should adhere to the human rights paradigm to ensure that the rights of the trafficked persons are protected. It is imperative to understand that this gross violation of human rights occurs due to many socio-economic factors that add to the vulnerability of the victims. The study suggests a strong link between trafficking and migration with an added dimension in trafficking because of unconventional means of commercial sex exploitation like sex tourism and exploitation in massage parlours and beer bars that has created a great demand for children. Similarly, there is a clear link between trafficking and those reported missing.

*(Women, child trafficking: call for community policing, TH.B, 25.08.04, E 41)*

#### **E 42 Child Prostitution/Child Sex Abuse**

How dare they use their position to identify tourists more commonly called foreigners as potential pedophiles brushing aside all the good work that is done by them like sponsoring educational needs, clothing them and feeding their families, privately run organization funded purely by tourists etc.



Perhaps we should sit down and read the papers more often. Over the past few weeks there have been several rape cases against minors and one particularly shocking story a twenty year old man sexually abused a five month old child, a school care taker raped a minor, a gang rape etc. etc. *All these crimes were committed by locals do they not also fall into the category of paedophile?* At the beginning of every tourist season the word paedophile comes out and beach shacks are in the words of one owner forced to display posters stating that tourists seen with children are to be reported to the Police. The, shack owner did not know what a paedophile was! Perhaps the tourist minister should inform all tourists not to make contact with children as they could be questioned about their intentions relating to paedophiles. I am certain that the tourist economy would come crashing down. Sex crimes against children are truly hideous and Should be stamped out but firstly you need

Public awareness and their co-operation not a witch-hunt. Anyone can hand out leaflets every one can blame others for their failings. Every day we see children digging up roads, working on buildingsites, begging in the markets this is child abuse in any language. *Where are these children's rights officers and organizations?* You do not need to be a detective in finding them, as they are everywhere. As for the tourist police, well we all know what goes on there; if the children can't pay their fee they get physically abused we have all seen this yet it is allowed to continue reporting the officer means that some one else benefits from this racket. Abusing children physically or verbally is a diabolical crime; pedophiles are a global menace and not perpetrated by tourists alone as the article indicates. *(Tourism and children, why blame, H.G, 23.01.04, E42)*

### **Interview with Asha Bajpai**

*Well-known child rights activist Asha Bajpai was nominated by the Mumbai high court to study the conditions in children's remand homes in Maharashtra. While on the Maharashtra State Monitoring Committee on Juvenile Justice, she probed child sexual abuse cases. Here, she tells Olav Albuquerque about the lacunae in our laws relating to children, and how to fix them.*

***What are the conditions like in children's insituations?***

It is sad that juvenile justice system in India lacks a sense of care. Conditions in children's institutions are appalling. There are children who've never heard a story being told. The punishments are barbaric to say the least. It is a matter of concern that many children are in institutions just because their parents are unable to provide them food, clothing, shelter and education. The families of such children should be empowered so that the children can remain in the families. The laws prohibit the police from detaining juveniles. But some children told me whenever there are thefts in trains, children found at railway stations are tortured in the police stations to give information. Children who work as shoeshine boys, vendors, rag pickers and porters have reported how they are forced to pay hafta. For street children, extortion is an integral part of the process.

***How effective are the provisions relating to child sexual abuse? What sort of legal reforms are needed? How do you make courtrooms child-friendly?***

Child sexual abuse can take place anywhere - in the family or neighbourhood, in school or on the street. And the perpetrator can be anyone - a close family member, a neighbour, an uncle, a cousin, a friend, even, a teacher or doctor. The abuser, generally a male, usually violates a relationship of trust with the child, taking advantage of his power and position. Girls are more vulnerable. We still don't have any comprehensive law on child sexual abuse. Such cases are generally tried under different sections of the Indian Penal Code, 1860, which were not enacted with the child in mind. The child has to relive the traumatic experience before the police and the courts. The medical examination is insensitive. Medical reports are vague. The aggressive nature of cross-examination tries to prove the child victim is a 'liar'. The trial drags for years and those who abuse children often get away. The language of the child needs to be understood by the legal system. A child's testimony should be permitted through video recordings. If video conferencing can be used for criminal offences, why not for the child? Amendments in the Indian Evidence Act and procedural laws are needed.



**What is the extent of child prostitution in India? Are the provisions of IPC and the Immoral Traffic Prevention Act, 1956, adequate in dealing with it?**

Child prostitution does exist in India, Sexual exploitation of children, especially girls, is a global, multi-billion dollar industry and an organized crime. India has the dubious distinction of being the source, transit and destination country. The child is also a victim of paedophiles who pose as tourists. A significant aspect of child sexual exploitation is Internet pornography. The IPC and the Information Technology Act, 2000, have their uses but they aren't adequate in terms of putting an end to the practice. We must evolve a rehabilitation policy for sexually exploited children and work towards international treaties, which facilitate a sharing of data on paedophiles.

**Is the new Juvenile Justice (Care and Protection of Children) Act, 2000, an improvement over its predecessor, the Juvenile Justice Act, 1986?**

The Act aims to adopt a child friendly approach. Although it has its limitations, it goes some way in addressing issues of inclusion and mainstreaming - by way of group counseling - as well as finding alternatives in the form of family and community for these children. A significant feature of the Act is that adoption, foster care and sponsorship are providing as alternatives to institutionalization for children, irrespective of religion. But the Act needs to be implemented in the right spirit.

**Isn't there a need for one comprehensive law to protect children?**

It's true that in India, the age at which a person ceases to be a child varies under different laws. The lack of uniformity in definitions of the child in different legislations and government documents affects interventions and service delivery for marginalized children. Some of these age limits appear to be arbitrary. We have ratified the Convention on the Rights of the Child and, ideally, anyone under the age of 18 should be regarded a child. We must also work on the implementation side, because that is an extremely weak area. Ironically, those who flout children's rights are also entrusted with the task of enforcing the laws.

**Will a National Commission for Children help in any way?**

The idea has come up from time to time. To be effective, however, such a commission must be conceived as an independent body, and given the task of overseeing the implementation of existing laws for children. It should also review and recast outdated laws for children from a rights perspective. Unlike other commissions, it should not be just an advisory body without any power. It should be vested with investigative powers and be in a position to stop violations of the law and provide justice to the child.

*(Juvenile Justice, ToI.B, 08.03.04, E 42)*

Child rights groups have welcomed the Supreme Court's stay on a Bombay High Court order releasing the Swiss couple, Loshiar and Wilhelm Marty, who were convicted three years ago by a sessions court in Mumbai of using street children for child pornography. The Bombay High Court had commuted the seven-year sentence of the couple to three years and three months - the time they had already spent in jail - increased the compensation amount for the six victims

from Rs. 5,000 to Rs. 1 lakh and ordered the release of the couple. The High Court ruling said, commuting the sentence sent out the wrong message internationally - that in India such abuse could go unchecked.

Nishta Desai of the Child Rights Group in Goa, a destination that is increasingly being frequented by paedophiles, said that paedophile was not specific to Goa but was prevalent in other tourist spots. In response to campaigns by groups such as hers, the Goa



Government has enacted the Goa Children's Act 2003, which defined sexual offences against children and laid down stringent punishment. Unfortunately, rules under the act have still not been notified nor have the institutions, such as a Children's Court, been established to implement the law. (*Stay on release of Swiss couple hailed, TH.D, 03.04.04, E 42*)

A suspected pedophile, booked by Mumbai police for alleged child sexual abuse in 2001, was extradited from USA. The US federal authorities held Allan Johan Water, facing an international arrest warrant by the Interpol, some months ago when he was on way to the Pacific island of Bermuda. An extradition process was initiated by India thereafter. Colaba police in south Mumbai will formally place him under arrest today. Water along with fellow Briton Duncan Grant has been accused by Mumbai police of sexually abusing street children who had taken refuge in the children's home, Anchorage Shelter, which the duo had set up in Colaba,

South Mumbai, in 1999. (*British paedophile extradited, TS.D, 07.09.04, E 42*)

#### **E 71 National parks and Sanctuaries (General)**

The Sunderbans management programme, which is being jointly carried out by India and Bangladesh, under funding by the United Nations Development Programme (UNDP), will have global participation. Bangladesh forest officials will get to learn important aspects from the Sunderbans Biosphere Reserve on how to deal with a stray tiger. Another important aspect will be training the customs officials about wildlife articles that are now a thriving trade.

It has been a path breaking experience," claimed M. Aminul Islam, UNDP sustainable development advisor. Nowhere else in the world have two countries jointly decided to conserve an ecosystem which is the world's largest mangrove forest. (*Sunderbans plan will go global, TOI.M, 20.01.04, E71*)

### **G COASTAL REGIONS**

#### **G 00 Coast & Ocean (General)**

Irregular nesting by the Olive Ridley sea turtles on the Orissa coast is causing concern to wildlife enthusiasts. They fear that the turnout of his endangered species may fall this year. The observers monitoring the coast say that the nesting is much, lower level compared to the previous season at the Gahirmatha, Devi and Rushikulya river mouths. A large group of turtles was noticed at Nasi Island in the Gahirmatha marine sanctuary area. But turtle lovers are keeping their fingers crossed as no nesting had taken place at the Nasi island in the past two years. The turtles, which have congregated since October, are also getting killed in the nets of mechanized fishing boats. "At least 3,000 turtles have been killed this season, including 838 at the nesting site near the Devi river mouth in Puri district. Not a single trawler uses the turtle excluder device. This is a violation of the orders of the Orissa High Court and more than 1,10,000 turtles were killed the past 11 years. (Irregular nesting by

(*Govt. gets tough on CRZ violations, NT.G, 9.02.04, G10*)

The Centre would take a fresh look "on firm scientific principles" at the entire range of issues concerning coastal environment management and the 1991 coastal regulatory zone notification that ruffled the feathers of several chief ministers, Union environment and forests minister A. Raja said. The major task had become necessary also to ensure that the livelihood of the poor people living in coastal areas was not hit due to the 1991 notification, the minister said. Conceding there were "certain difficulties" in implementing the CRZ notification, particularly where it impeded certain kinds of development works without improving environmental conservation, Mr. Raja said his ministry had decided to review the issue "on firm scientific principles" and had set up an expert committee under agriculture scientist M.S. Swaminathan to come up with "practical recommendations." (*Review of coastal zone underway, says A. Raja, AA.B, 9.06.04, G10*)





## G10| Kerala

Did the ITDC disinvestments spree wrap up a sale without a title deed? Top honchos of Indian banking and corporate landscape like RBI governor YV Reddy to Tata group chairman Ratan who checked into Kerala's Kovalam beach would have been unaware of the mystery brewing around their lodgings. *Who owns Halcyon Castle?* For those fragile on fables, a halcyon is a kingfisher that nests on the sea, Halcyon is symbolized as the icon of calm among storm, but nobody can now dispute that eggs of a long-running controversy are hatching around the sea-nestled Halcyon Castle.

The Castle, visibly inspired by British fairy tale castle illustrations, is part of the 65-acre Ashok Beach Resort, once owned by ITDC. The castle used to be the summer resort of the erstwhile royal family of Travancore. The sale of the resort to the Oman based Gulfar group for Rs 48 crore brought the Halcyon

Castle to the new owner's hands. Ashok Beach doubts Resort is now the 360-bed that Kovalam Hotels, managed by Le Meridian Group. "The sale of the Castle and all its papers are under detailed examination by government's legal counsel," says Kerala chief minister AK Antony. If Kerala government did not make a claim for the Castle in 2001, that was only because it could not produce the Title deed, say state government officials. Gulfar Group, who holds possession of the Castle, initially had some expansion plans for Kovalam Hotels, roping in even its original designer Charles Correa. The Downsizing of these Plans fuelled to the widespread the management also did not have the benefit of the title deed. Gulfar director has announced that the position and any debate around the title document is baseless. True to the unruffled water bird it is name after, the castle stands foursquare and 2-storeyed at the sea of discussions around it. For years, the tawn limestone structure on the palm-fringed Kovalam sands has caught the eye of geologists and historians. And now it is the turn of

businessmen and lawyers too. (*Title Deed Ghost Haunts Halcyon Castle, M. Sarita Varma, FE.B, 21.06.04, G10*)

## G 40 Industries on the Coasts (General)

The Exim Policy of 2000 paved the way for what seems to be an industrial takeover of the country's coastline. Gujarat, Karnataka and Orissa have been working to get the Centre's approval for the creation of Special Economic Zones (SEZs) that are seen as a boon to a liberalizing economy. Recently, the Union Cabinet approved the proposal for a Central legislation for the establishment of SEZs. The government machinery certainly works with speed and efficiency in some cases. But when it comes to making changes in the Land Acquisition Act 1864, and finalizing a national rehabilitation policy, urgent steps warranting immediate action by development planners, there has been practically no action.

These assume great importance as more and more tracts of land, primarily in tribal/rural areas and rich in biodiversity, are converted into revenue-garnering factories with their inhabitants pushed to the margins of well being. Many areas demarcated for development of SEZs also happen to be fragile ecosystems. These are the coastal areas, whose dynamic ecological nature and productivity are yet to be fully studied and appreciated.

The importance of the coasts was legally established when the Coastal Regulation Zone Notification (CRZ) was drawn up in 1991 under the Environment Protection Act, 1986. The CRZ notification lays down norms for safe guarding the sensitive coastal ecology, recognizing that these areas form the livelihood base of thousands of traditional communities. Unfortunately, the notification was amended in mid-2002 to allow for the establishment of SEZs, defying the very spirit of the law. This was despite the concerns raised by environmentalist



and social activist groups including the National Fish workers Forum and the Bombay Environmental Action Group.

State-level policy documents on SEZs may want to stimulate more efficient use of local resources; but can end up affecting the coastal ecosystem. State governments too have been quick to identify coastal areas and layout the red carpet for private investors. Investors are promised such support facilities as transport and communication, which include roads, ports and airstrips as also health, educational and entertainment facilities. The promotional advertisements almost always mention that the investors will not have to deal with such hassles as resistance from locals unwilling to give up their lands; and the livelihood of the local people and their age-old connections with the environment take the backseat.

For instance, the Industrial Development Corporation of Orissa (IDCO), an arm of the State government, declares in its communication that its 'experience and expertise makes forestland alienation faster'. It also states that acquisition of land for industrial purpose is treated as being for 'public purpose' and that the emergency clause of the Land Acquisition Act is used to speed up this process. If indeed the 'rights' of the coastal population are to be upheld, scarce land should not be handed over to private 'external' parties and for purposes other than for residences and the livelihoods of traditional fishing and agricultural communities.

Allowing SEZs here often means land acquisition and conversion of land use with no commensurate benefits to the affected population and a loss of their livelihoods.

The Goa government plans to convert the whole of Pernem taluk into an SEZ. As part of this, plans for constructing an international airport at Mopa village in Pernem have been cleared. Also planned in the SEZ are a cyber city, a film city

and institute, a fashion design centre, a central convention centre, and a jewellery exports unit.

Looking at the possibilities of growth in tourism once the airport comes up, the State also plans to set up a recreation park - a Disneyland in South Goa. The State government has not yet acquired land for the proposed airport, the Chief Minister has ordered the administration to 'freeze the land' so that the owners do not enter into fresh deals with builders.

The Positra SEZ in Gujarat will take up 4,600 acres belonging to poor farmers to house textiles, chemicals, pharma, metallurgy and IT industries. The area where the SEZ is to come up is not vacant; it is home to some 18,000 people. The Court ordered that while all other work related to the SEZ could go on, the villagers were not to be displaced until the Resettlement and Rehabilitation scheme was, approved by the State.

In Karnataka, SEZs are planned at Tadri in Uttara Kannada, Padubidri in Udipi, and Baikampady in Dakshina Kannada. Padubidri was where Cogentrix was to set up its power plant. The Barge Mounted Power Plant (BMPP) and the expansion of Tadri port have been, and continue to be, severely criticised by the local people for the negative social, economic and environmental impacts they can have. Tadri is situated on the banks of the fertile and productive Aghanashini estuary and the villagers fear the fallout of such 'development' on their rice-fields, salt pans, fisheries, clam collection and mangrove diversity. Tadri, in fact, had a ship-breaking unit in the early 1990s. This was shut down under public pressure, on grounds of ecological damage, and is reflective of what the people of this area consider more important.

The other important issue is that of impact assessment procedures. Only some of the projects proposed in the SEZs may come within



the purview of Schedule of the Environment Impact Assessment (EIA) notification, 1994.

These projects will have to comply with the conditions of organizing a public hearing and allowing local people to voice their objections and suggestions about the project. The State government assesses projects not falling in this schedule, and the clearance processes does not mandate a public hearing. Instead of assessing the pollution load and other aspects of individual projects, it would make more sense to carry out the environmental and social impact assessment of SEZ as assessing the cumulative impact is crucial. Further, such an assessment should also be juxtaposed with carrying-capacity studies of the area. As per the Orissa and West Bengal policy documents on SEZs, the Town and Country Planning Act of an area will have no bearing on the SEZ. These zones are to function as independent industrial township areas and they will not be under the Municipal Corporation, the Gram Panchayat or any other local body. This is against the spirit of the 73rd and 74th Amendments to the Constitution, which give local bodies powers of self-governance. These constitutional provisions were designed to allow the local people to have control over their socio-economic, environmental and political governance.

Associated With development of SEZs are golf courses and hotels at some places. These too have been allowed in the sensitive coastal areas that were protected under the CRZ regulation until the amendment of May 2002. The CRZ amendment of 'May 21, 2002 states that "nonpolluting industries in the field of information technology and other service industries in the Coastal Regulation Zone of Special Economic Zones, (SEZ)" can be allowed.

In "First draft of SEZ legislation ready" (Business Line, August 22, 2002), the Commerce Secretary, Mr. Deepak Chatterjee, was quoted as saying that his Ministry would hold extensive consultations with other Ministries as the

proposed legislation would cover a number of existing pieces of legislation. Hopefully, the other ministries will include Environment and Forests, Rural Development, and Tribal Welfare, and they will have something to say during these 'consultations' to protect the constituencies' they are responsible for. *(A takeover of coastal areas, Manju Menon from Kalpavrisaksh BL.B, 20.02.04 G40)*

Beneath the calm exterior of this Bay of Bengal coastline, there is much abuzz. In more than one way, Visakhapatnam is living up to its catch line - the city of destiny. After a period of relative stabilization, the city and its suburbs are readying up new plans, taking on the development binge with renewed vigour. The blueprint of the new avatar is readying for a sea change of Visakhapatnam, the second largest city of Andhra Pradesh. This first step in this sector can be seen in the projects that are being signed up, especially in the knowledge sector. Companies that are buying land in Hyderabad are being encouraged to take up the second stage of investment in cities like Visakhapatnam.

The coastal corridor of Andhra Pradesh is the route to what promises to be a boom time for towns located in this belt. The corridor encompasses vast industrial land between Visakhapatnam and Kakinada. The area is endowed with rich natural resources and quality infrastructure, which includes a natural major port providing fast access to the markets of the Far East. Andhra Pradesh Industrial Infrastructure Corporation (APIIC) has initiated some major projects in Visakhapatnam, which should hopefully be a catalyst to the future growth of the area. This includes the development of Gangavaram Port, Pharma city, Visakhapatnam Industrial Water Supply Company and Development of IT Park. The IT Park is under state-private partnership and APIIC has been named as the nodal agency for the project.

A Special Economic Zone is being developed on 9200 acres of land that stretches from Atchutapuram to Rambilli mandals of Visakhapatnam district. Land acquisition is in its final stages. We have already received some encouraging enquiries but a private developer will do the final plan and marketing.

The coastal corridor of Andhra Pradesh is holding out exciting new opportunities in a range of sectors. The time is now ripe for entrepreneurs to draw up their investment plans for the region and offers are up for grabs. The sun is just rising on the coastal belt and it is obvious from the ado in the business circuit. **(Good days for Coastal Corridor, ET.B, 4.08.04, G40)**

#### **G 40 K Karnataka**

The Coastal Agenda Task Force (CATF) - an advisory body set up by the Karnataka Government for the comprehensive development of coastal districts of Dakshina Kannada and Udupi - is ready with its final report, it is waiting for the Government nod for submitting the report. The taskforce has subcommittees on infrastructure development, urban development, agriculture and allied sector development, social and human development, information technology development, industrial and environment, and tourism development.

The sub-committee on, industry and environment of CATF, headed by Mr. Murari, former CMD of Kudremukh Iron Ore Company Ltd, is likely to focus its recommendations on major aspects such as setting up of a single window exit agency to ensure the smooth

Transition of industrialists who unable to carry on with the industrial activity; and setting up of a coastal environment agency to monitor the environmental impact assessment of industries in the region. Such an agency should have the credibility to monitor the environmental impact assessment of major industries in the region. The agency should upgrade information on the industries of the region and their environmental impact. It should give a systematic and objective view of the development of industry and environmental condition to the public. **(Coastal Agenda Task Force awaits Govt nod submit report, A.J. Viunayak, BL.B, 29.02.04, G 40 K)**

#### **G 90 Coastal Tourism**

Establishment of "Coastal Tourism Circuit" is the need of the hour to provide better facilities to the tourists visiting the region. Mr. A. Srinivasa Rao, president of the Kanara Chamber of Commerce and Industry told though being a major centre of tourist attraction, there is no tourism officer in Mangalore. The Government should introduce - exclusive luxury buses to tourists to visit various destinations in the region. Relaxation of the coastal regulatory zone (CRZ) norms is essential for the development of tourism activities in the district. The relaxation in norms could even help in setting up a "marine drive" in Mangalore. Setting up of a permanent centre for organizing trade fair and exhibitions could add to the tourism potential of the district. Mr Rao said that KCCI will support the free trade market proposed by the Karnataka Government, and will seek the repeal of Agricultural Produce Market Committee Act. Stressing the need for the introduction of value-added tax, he said traders should be educated about this aspect. **(Set up Coastal Tourism Circuit, BL.B, 30.09.04, G90)**

# H HILL AND MOUNTAIN REGIONS



## H 00 Hill and Mountain Regions of India

New constructions are also under way at Kasumti about 7 km from Shimla, while the Himachal Housing Board is acquiring land for development at Wakna Ghat, 30 km from the state capital. Shimla's central town The Mall, Lower Bazaar and Ram Bazaar is choc-a-block with old commercial structures and is not a favoured destination for get-away properties. On the other hand, those adventurous enough to risk a brush with the law, can opt for benami properties where the title is in the name of 'local'. A favourite is the small town of Barog, around 60 km off Shimla near Solan. The Chandigarh-based Milan Properties had launched full-scale cottage and estate project at Barog for investors and outsiders before the state government got wise to the developer's tactics. In the Deep South, Kodaikanal a three-hour drive from Madurai offers some interesting projects. The advertising agency Ogilvy some time ago acquired a 55-acre property from Max worth, a subsidiary of Sterling Resorts in lieu of debt settlement worth Rs 1.5 crore. This property, 21 km from the main Kodai town, has now been developed into an 'eco-village' with one-acre properties. The two projects - Ogilvy Eco-Village and Ogilvy Tangerine have been priced at Rs 14 lakh and Rs 8.5 lakh each. Seeing the potential the group has also launched a second 'green' development closer Kodai n dubbed 'Misty Meadows' (Rs 16 lakh/acre), 'Green Orchard' (Rs 18 lakh/acre) and 'Kodai Eco Habitat' (Rs 24 lakh/acre).

Most of the hill stations in India have urban local bodies such as Municipal councils or hill

councils governing the development. Zoning regulations of these bodies as well as the regional development authorities be carefully analysed. Property should be bought only in the zone where housing commercial development is permitted. Care should be taken to avoid no development zones and ecologically sensitive zones for development of the property at hill stations. (Many hill stations in India have their environmental management plans (EMP) in place. Development should be done in strict accordance with the suggestions made in those plans. Hill Stations in India are coming up with guidelines to protect built and natural heritage. *(Buyers must learn to preserve hill stations, Gurbir Singh, ET.D, 25.2.04, H00)*

## H 30 Himalayas (General)

There is no denying the fact that river Ganges forms an integral part of our heritage and civilization. Since time immemorial, the Ganges has been home to hundreds of wild animals and birds where they thronged and made India rich in wildlife. A number of steps were initiated for its protection, such as declarations of national parks, wildlife sanctuaries in Garhwal and a forest college in Dehradun. In 1935, Lord Haily declared 1,500 square miles of the area around river Ram Ganga as a sanctuary; which later on was declared the National Corbett Park, probably one of the best forests in the world. Taking the good wishes and, prayers of millions of devotees, this mighty river after a journey of around 2,700 kilo meters finally falls into the Bay of Bengal forming the biggest delta of the world. *(The Wilder side of Himalayas, the Ganges is home hundreds of animals and birds, Joel Lyall, FE.B, 4.3.04, H30)*

**K 10 Policy, Economy**

Presenting a revenue surplus budget for the first time in eight years, Karnataka deputy Chief Minister Siddharamiah, who also holds the finance portfolio said, "this signals the commitment to reform state finances and to ensure that the current expenditure is met by current revenues." Budget 2004-05 envisages a revenue surplus of Rs 72.84 crore. "Increased revenue balances in future years will enable creation of additional assets and also ensure that the borrowings are only used for capital expenditure. The fiscal deficit is reined in at Rs 4246.64 crore compared to Rs 5564 crore in 2003-04," Total receipts are expected to be Rs 320065.99 crore, comprising revenue receipts of Rs 5510.31 crore and capital receipts of Rs 6555.68 crore. Total expenditure for the year is projected to be Rs 31591.88 crore, including a revenue outgo of Rs 25437.48 crore and a capital expenditure of Rs 6154.40 crore. The minister also announced enhancement in allocations in key development areas - primary education, primary healthcare, agriculture, rural development and drinking water. New levies include a road cess of 10 per cent and infrastructure cess of 5 per cent. On the infrastructure front the budget has allocated Rs 5 crore towards the setting up airstrips at Mysore and Gulbarga in north Karnataka for the current fiscal. *(Rs. 72.84 Cr Revenue Surplus Budget For K'taka, FE.B, 20.09.04, K10)*

**K 12 Infrastructure, Power**

Karnataka is embarking on a massive investment of Rs 1,200 crore for improvement of the power supply system by upgrading as many as 100 substations this year. The investment could go up to Rs 1,400 crore when completed according to Karnataka's Power and Public works minister H D Revanna. The minister said the government was considering up gradation of another 100 substations with World Bank assistance as part of the Programme for improving the power distribution system. Plans for installing 6,000 transformers all over the state

were also under active government consideration to ensure quality power supply all over the state, particularly in rural areas. The minister promised to take a decision on ensuring at least 20 hours three-phase power supply to all rural feeders soon after ascertaining the generation and demand position.

While work on the 220 km Mysore-Bantwal state highway, costing Rs 226 crore, is expected to start soon, tenders have been approved for taking up the 80 kms Medak-Shahapur road at a cost of Rs 86 crore with Hudco assistance. *(Karnataka plans Rs. 1,200 crore-power pump in, ET.B, 17.08.04, K12)*

The State Government decided to review the controversial Bangalore- Mysore Infrastructure Corridor (BMIC) project, meeting midway the demands and counter-demands of the two senior political leaders, H.D Deve Gowda and S.M. Krishna. After paying a surprise visit to the office of the Bangalore Development Authority here, the Chief Minister, N. Dharam Singh, said the Government had asked the Nandi Infrastructure Corridor Enterprises not to take up the work on the township projects till the Government clearly spelt out its stand on the project. The Chief Minister said there was a need to implement the project to ensure smooth traffic between two cities in future. *(Govt. to review BMIC project, TH.B, 18.08.04, K12)*

The Karnataka Government will take steps to strengthen the regional air infrastructure within the State by developing airports and air strips at Mangalore, Bellary, Hubli and Gulbarga, according to the State Industry and Infrastructure Minister, Mr P.G.R. Sindhia. The aim, he said, is to get good industrial investments of Rs 30,000 crore in the coming years. While industrial growth has been concentrated in Bangalore, this growth should be seen in the light of Karnataka's competition with Gujarat and Maharashtra as the top draw for investments. However, it was not true that investors were moving out



of Bangalore, Mr. Sindhia said, along with industrial growth priority was also being given to rural development and revival of the small-scale sector. (Karnataka to strengthen air infrastructure, BL.B, 10.9.04, K12)

The Union Government has cleared five road projects in Karnataka at an estimated cost of Rs 2,545 Crore: Some of the roads are four-lane highways and some six-lane. The roads proposed to come up include a four-lane, 74-km stretch between Kundapur-Suratkal on NH 17 at Rs 500 crore, the 85-km lane between Bangalore-Kolar-Mulbagal on NH 4 at Rs 400 crore, the 157-km four-lane between Nelamangala-Hassan on NH 48 at Rs 620 crore, Bangalore-Hosur lane on NH 7 at Rs 625 crore and the 19.5-km Nelamangala-Bangalore lane on NH 4 at Rs 400 crore. Another project announced by the Centre is a 9-km elevated superstructure on Hosur road between Bangalore and Electronics City: Estimated at Rs. 400 crore, this project is similar to the one suggested by Mr. Narayan Murthy, Infosys mentor. What must be appreciated is that IT majors who have been critical of the abominable infrastructure in the city have agreed to give 33.33 per cent of the funds for this project, while the rest will be met by the NHAI and the State Government.

Roads constitute an important part of infrastructure and despite India having the third largest road network in the world, the growth of the road network has not kept pace with the growth of road traffic. Vehicle population in the country has grown almost hundred-fold and passenger and freight traffic has increased exponentially: The need for adequate road infrastructure for a country that hopes to become an economic super power has to be taken seriously by the government which must speed up projects already on the anvil, including the Golden Quadrilateral project. Passenger and freight traffic on roads is growing and moving away from the traditional rail route and substandard and inadequate roads will cost the exchequer and the economy: These projects should be initiated without further delay as they

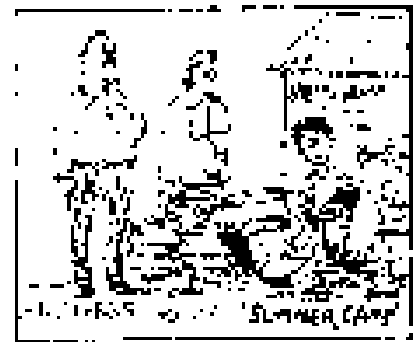
will help link Bangalore, the fastest growing city in the country to other states. The projects, when completed, will give a major boost to the state's economy. (Better roads, DH.B, 30.09.04, K12)

### K 33 Child Labour

An International Labour Organization (ILO) study on the cost-benefit analysis of eliminating child labour has found that the net benefits far outweigh the net costs over a large period of time, with the net financial benefits, worldwide being estimated at \$4132.5 billion over a 20-year span. Even as the study admits that costs during the first decade and half would be high, it emphasizes that the average annual amount during the first decade pales in comparison with the burdens currently borne to finance debt service or the military.

The study entitled 'Investing in Every Child' says that while the costs might be completed over a period of say 20 years, the benefits continue for as many as 40

years past that point. The analysis is the first integrated study of the economic costs and benefits of eliminating child labour



throughout the developing and the transitional world, covering in its ambit, transitional countries such as Asia, Latin America, Sub-Saharan Africa, North Africa and West Asia. Pointing out that as per estimates made by the ILO in 2002, one out of every six children aged between 5 and 17 is exploited by child labour worldwide, the study, conducted under the International Programme on the Elimination of Child Labour notes that many of these children are forced to risk their health and their lives and mortgage their future as productive adults it also included within its purview, 10.8 million children in hazardous

occupations and between eight and 20 million in 'unconditional worst forms' such as trafficking, bonded labour and prostitution. Hazards as per the study could derive from excessive workload and physical work conditions. For the child direct benefits are education and improvements in health. *(ILO offers 'feasible' funding to eliminate child labour, Indrani Dutta, BL.B, 6.02.04, K33)*

#### **K 50 Tourism/Tourism issues in Karnataka**

World Tourism Day become an occasion for the district administration and the Department of Tourism to ponder why the tourism potential of the district has not been fully tapped. According to an estimate, 2.50 lakh tourists visited the district in 2003.

*Inadequate facilities* "Tourists complain of inadequate facilities in the district, especially at Belur and Halebeed, which are known for architectural splendour". Lack of direct public transport from Bangalore to Belur is a major problem.

*Apathy* The famous monuments are crying for attention. The Channakeshava Temple at Belur and the Hoysaleswara Temple at Halebeed have become victims of official apathy. Miscreants have damaged many monuments. The Archaeological Survey of India (ASI), which has been entrusted with the responsibility of preserving the temples at Belur and Halebeed, has done little in that direction, according to the people of Belur.

*Rigid rules* Officials of Department of Tourism blame the rigid rules of the ASI for the poor infrastructure at Halebeed and Belur. A senior official says that though the department has sent many proposals seeking better infrastructure, the ASI ignored them. The officials stressed the need for a comprehensive plan for the development of Halebeed and Belur

#### *Recovering*

The Assistant Director of Tourism, Aadilakshmi, told the tourism industry, which suffered owing to the Cauvery agitation last year, was recovering with a 20 percent increase in the tourist influx this year. A Rs. 26.34-crore proposal has been sent to

the Government for the development of some Hoysala temples and tourist places, including, Ramanathapura, Shanthigrama, Sriramadevarakatte and the Gorur Dam. The Department of Tourism will promote Shravanabelagola as a tourist destination during Mahamastakabhisheka in 2006. A proposal for the development of Shravanabelagola will be sent to the Government soon. A sum of Rs. 60 lakhs was released to a private company to prepare a plan. However, the proposal did not materialize for some reasons. *(Tourism potential of Hassan yet to be tapped, TH.B, 27.09.04, K50)*

#### **K 51 Coastal Tourism**

Jungle Lodges and Resorts Ltd (JLR), eco-tourism arm of Karnataka, will offer ayurveda facilities in its latest property Om Beach Resort in Karwar in a joint venture with the Delhi-based Kairali group. This is one of the two projects that JLR has signed with Kairali during the Coastal Investors Meet held at Karwar. Various ayurvedic and holistic treatment packages including special Panchakarma treatment for arthritis and facial paralysis will be offered under the supervision of



qualified doctors and trained therapists. The resort will also provide different activities including visits to nearby temples of Gokarna, Murdeshwar and Mookambika, water sports such as para-sailing and speedboat rides and also sightseeing to nearby tourist places. *(Ayurveda resort in Karwar soon, BL.B, 27.07.04, K51)*

#### **K 53 Heritage Tourism**

With one of its foot firmly established in Kerala's territory, the CGH group of hotels is extending its ambit of operations into Karnataka in a big way and, Karnataka is emulating Kerala's pioneering public/private initiative to harness the latent tourism potential lying dormant in that State. The CGH group of hotels sign an MoU





with the Karnataka Tourism Department in Bangalore, for developing a heritage resort property at world heritage site of Hampi. It will be a joint venture with the Karnataka State Tourism Development Corporation, where the State's equity will be in the form of 14 acres of prime land in the backdrop of the world famous Hampi site. The Hampi property, which is slated to open up in March 2006, will be the second property of the group in Karnataka. Work is already in progress at the 'Om' beach resort at Gokarna, which is slated to open in March 2005. The environmental clearance and coastal regulations zone clearance have already been obtained for this project and work is progressing in full swing. It also plans to extend a tourism circuit linking the exotic destinations of Karnataka with the well-trodden paths of Kerala. To provide a rich and vibrant experience of history and archaeology to the tourists, the spiritual and yoga experience of the 'Om' beach resort at Gokarna, with the backwaters, ayurveda and culinary experiences of Kerala. *(CGH group to sign MoU with Karnataka Tourism, BL.B, 27.08.04, K53)*

The 28th convention of the World Heritage Committee held in Suzou City, China, has expressed its appreciation at the measures initiated by the state government to develop Hampi, while deciding to retain Hampi in the endangered list. The State government's action to postpone the construction of the hanging bridge between Hampi and Anegundi till a bypass road is constructed has come in for special praise.

*Bridge will do harm:* The committee had opined that the construction of the bridge would harm the monuments in Hampi. The panel had suggested the construction of a bypass and stops the construction of the bridge until the road is laid. If the bridge is constructed without a bypass, vehicles moving towards Hampi from Anegundi have to pass through Harishankar tollgate. The committee had objected to this on the ground that Hampi's natural beauty would be marred if the bridge was constructed without

a bypass and traffic would be hit at the tollgate. The members of the delegation of the World Heritage Committee which visited Hampi last June had stipulated that Anegundi bridge should be used temporarily and demolished within five or seven years.

*Delay in work:* The construction work was taken up in May 2004 and was scheduled for completion by July 21, 2004. But it does seem that the construction work will take two more months for completion. If the bypass road were laid and vehicular traffic allowed, it would not only aid in the construction of the hanging bridge but would also be a step towards including Hampi into the World Heritage List again. *(Hampi remains on world heritage endangered list, Sripad Joshi, DH.B, 29.10.04, K 53)*

### **K 59 Golf Tourism.**

It's a concept that fits with Karnataka tourism's promotion plans to a 'tee' and intends 'putting' the state on the golf lovers' circuit. Golf is now a global lifestyle sport: stress-buster, place-to-be seen and, the outdoor boardroom where strategies are planned and deals clinched. With three greens in Bangalore and at least 9 scattered across the state, Karnataka is attempting to pitch itself as the ideal location for golf lovers in the country and abroad. "In addition to the regular promotions, Karnataka tourism is also trying to pitch its other strengths for niche segments. We have noticed that many business travellers to the city prefer golfing as a weekend or leisure activity to all-else. We are trying to tap this segment and expand it as a package," tourism department sources said. Golf tourism, purely as a tourism concept, is yet to pick up. However, we get a lot of guests who come to the city on business and want to play golf and the number is increasing. There is huge potential for this kind of tourism because Karnataka has a large number of courses," says Karnataka Golf Association president D. Pritham Basappa. On the other hand, The Karnataka Tourism Forum (KTF) feels small and medium golf tournaments should be held regularly to create interest, before pitching the tourism aspect.



Once the golf circuit is made aware of the facilities, golf tourism will pick up on its own. (*Golf on tourism palette: Ready to 'putt',*

*Travellers Prefer Golfing As a Weekend or Leisure Activity, Anita Rao Kashi, ToI. B, 27.9.04, K59)*

## L KERALA

### L 00 Kerala-Land and People

Water the non-packaged variety - has now entered the shopping list of the average household in Kerala. For the river-rich state, which takes for granted its monsoon bounty that is three times the national average, the price of water has increased beyond any stretch of imagination. For initial installation for well-water (not purified), the cost comes to Rs 300. If the private water-dealer's well is close by, it costs about Rs 40 for a 20-litre jerry can supply per day in recurring costs. The price increases if it is to be transported to faraway places. Drought cuts across all walks of life. For instance, many eateries in Alapuzha, the heartland of backwater tourism, now charge for clean washbasins. The lack of water in river Pamba, near the famous hill shrine of Sabarimala, forced the 1,000 year old bathing ritual to be postponed. Even the cremation of an eighty year old woman, who died of fatigue, had to be put off for the lack of water.

The most "Crippling blow came when the state government approached the central government for Rs 1,359-crore emergency drought relief but could get a sanction of just Rs 49 crore. Breaking down its own calamity kitty, the state has put together only Rs 200 crore for operating its crisis management cells. Shift from paddy cultivation has driven the priorities away from conventional water bunds. No study has been made on the long-term consequences of felling of trees and sand mining from riverbeds for construction activities. What is alarming is that the state's drought control measures are confined to well-repair and urban water supply. (*Trouble In God's Own Country, M. Sarita Varma, FE.D, 22.03.04, L 00)*

### L 10 Policy, Economy

Kerala has unveiled a portfolio of tourism-related projects worth approximately Rs 297

crore to be implemented during the current financial year. The State Tourism Minister, Mr P. Sankaran, said the State had submitted project proposals worth Rs 73 crore to the Union Government for its support and has also presented schemes worth Rs 150 crore to Housing and Urban Development Corporation (HUDCO) for its backing. Besides, the State's tourism department will spend approximately Rs 74 crore of its own funds on various tourism development initiatives, he added. Also on the cards is a proposal to create a 'special tourism economic zone' along the coastline - from Poovar to Veli in Thiruvananthapuram district. This project, possibly the first of its kind in India, has been (submitted to the Union Government for its approval, the Ministers said.

As part of its efforts to develop tourism in the State's Malabar region, Kerala, Tourism will organize a 'Mappila arts festival' in Malappuram district in January 2005. Similarly, the tourism department plans to host the 'Mystiques of Malabar' travel mart in Kozhikode every two years, he said. Tourism melas in Wayanad and Kannur districts are some other new initiatives. The proposals submitted to the Union Ministry of Tourism focus on areas such as infrastructure development, quality improvement, heritage preservation and eco-tourism, the Minister said. The development of a Kochi-Kasaragod tourism circuit, establishment of a crafts village at Vizhinjam near Thiruvananthapuram, development of a cultural village at Irinjal in Kozhikode, and creation of a geographical information system (GIS) for the Kerala Institute of Tourism and Travel Studies (KITTS), are among the 27 projects submitted to the Union Government for financial support. Establishment of tented accommodation at the Parambikulam wildlife sanctuary and the launch of a luxury yacht are some projects that are a part of initiative to develop the Malabar region

D a c U p d a t e



as a tourist destination. Integrated, development of tourism destinations such as Kovalam, Kumarakom and Alappuzha, construction of a building for KITTS, creation of parking facilities in Kozhikode, development of tourism infrastructure in Thiruvananthapuram and so on are some projects for which Kerala has sought assistance from HUDCO. (*Kerala unveils tourism projects worth Rs. 297 cr, BL.B, 18.6.04, L10*)

Two Kerala tourism hotspots- Alapuzha and Kochi are pitched in a two horse race to emerge India's first marine, one backed by Belgian technology and other by Malaysian know how. The Malaysian firm Trans Resource Corporation (TRC) which had found the Rs. 245 crore Alapuzha marina project too cumbersome for its taste, has now turned to pursuing a smaller but more high profile Rs. 60 crore marine project in Kochi. A feasibility study on Alapuzha marina by Chennai based L & T Rambol bifurcates it as a Rs. 142 crore first phase and Rs. 103 crore-second phase. The Alapuzha marina despite its array of 3 star hotel, clubhouse and 3 km water promenade should be completed in six months. Much of which venture would make it first would also depend on the energy that the new cabinet in Kerala dedicated to it curiously enough even within Kerala Government, the two projects are pegged to two separate state ministers, Tourism and port, promising more competition in the coming days. (*Pitched battle on for India's first marina, M. Sarita Varma, FE.D, 8.9.04, L10*)

## L 12 Infrastructure

To capitalize on the boom in tourism industry, Cochin Port proposes to set up an exclusive cruise terminal of international standards at an estimated cost of Rs 60 crore, Cochin Port Trust chairman Dr Jacob Thomas said. Having established major cruise destination in the Indian Ocean region by providing seamless cruise-oriented service integration, the port has now embarked upon the task of addressing the infrastructure requirements. There was enough potentials at the port to not only cater to the

cruise passengers, but also to act as a new crew changeover port. Towards this end, the port proposes to set up an exclusive cruise terminal. The port had sought the support of the shipping and tourism ministries in building a passenger terminal and was also soliciting leading cruise liners in the region to associate with it in promotion of cruise tourism through the port. Seventeen organizations, including Dubai Cruise Terminal, British Maritime Technology, have responded to the expression of interest floated by the port for the consultancy service for setting up the terminal. (*Cochin Port Plans Exclusive Cruise Terminal, FE.B, 29.05.04, L 12*)

The jinx continues for the Rs. 3,000-crore international container transshipment terminal (ICIT) plan with the file pending with the Union shipping minister for nearly a month, the last hurdle for the project. According to shipping sources, all clearances for the project had been received and what is needed is 'Just a nod from the shipping minister'. The contract with the successful bidder, Dubai Port Authority, ends on October 20.

The Dubai port will have to put in Rs 2,118 crore and the Centre and its agencies Rs 932 crore towards infrastructure development. While Rs 33 crore had been sanctioned under the budget plan, the funds could lapse if the infrastructure development works, like dredging, rail and road linkages, breakwater activities, etc was not undertaken. But port authorities say, this work could be started only after the terminal proposal got a green signal from the Centre. (*Kochi Int'l Terminal Awaits Ministry Nod to Get Going, Ajayan, FE.B, 10.08.04, L 12*)

Sagara Rani, the refurbished, air-conditioned cruise vessel owned by the Kerala shipping and Inland Navigation Corporation (KSINC), is all set to sail through the backwaters this Onam season to offer various types of cruises. Sagara Rani is an old vessel taken over by the KSINC from the State Tourism Department and renovated to suit the modern trends in backwater tourism.. KSINC, had invested

around Rs 2 crore to make the vessel seaworthy. The objective is to explore the vast potential of backwater tourism in the State as the corporation recently embarked on various tourism-related activities linking waterways. Considering the importance of water-linked tourism, KSINC is also planning to operate tourist boats, speedboats and luxury yachts. It recently hired a luxury yacht from abroad to operate in the backwaters for a rent of Rs 10,000 per day and Rs 3,000 per hour. "All these initiatives have been taken as part of KSINC's diversification programmes and also to remain competitive in the changed business environment. The cruises include breakfast cruise, lunch cruise, sunset and dinner cruise. On all cruises, food will be provided on board. There are also plans to include a late night cruise with onboard events, food etc. (*'Sagara Rani' ready for backwater cruises, V. Sajeev Kumar, BL.B, 19.08.04, L12*)

#### **L 50 Tourism/Tourism issues in Kerala (General)**

Aided by an allocation of Rs 74.25 crore in the recent State Budget, the tourism industry in Kerala is expected to sustain its growth during the coming year as well. The Budget has also made an additional allocation of Rs 10 crore for marketing of Kerala tourism; Rs 3.5 crore for conserving the State's heritage and a sum of Rs 47.39 crore has been earmarked for developing tourism infrastructure. So far, the State has had a good tourist season this year. The revenue from tourism is also expected to grow - from Rs 950 crore last year, it is expected to breach the Rs 1,200 crore mark this year. (*Kerala tourism revenue may top Rs 1,200 cr, BL.B, 20.02.04, L50*)

#### **L 56 Wayanad**

A delegation including senior MPs from Kerala has met Prime Minister Dr Manmohan Singh and sought a slew of measures, including an Rs 1000-crore special package to Wayanad, in the wake of the "burning socio-economic crisis" prevailing in the tiny hill district, famous for its spices and coffee. The economy of the district, which had earned the country foreign exchange worth Rs 4192.48 crore in the last 10 years

through the export of coffee alone, has collapsed in the wake of the steady crash in the prices of the main agricultural produces of Wayanad. As a district that produces mainly cash crops and earns a good share of foreign exchange to the national exchequer, the state and Union government have a special responsibility to protect the agro ecosystem and economy of Wayanad. (*Demand for Rs 1000 Crore Special Package for Wayanad, FE.B, 8.07.04, L56*)

#### **L 58 Special Tourism Area-Bekal**

After a long promising date, Leela Hotel Group has made an unceremonious exit from the race for the Bakel chunk of Kerala tourism pie. In an open licencing tender for property licence on Bakel beach, two other property giants Bharat Hotels and UAE-based Holiday Group instantly replaced Leela's claim. With another hotel major Khanna of Mumbai-based Holiday Inn - signing a MoU with Kerala government last week, the three groups are committed to pumping in Rs 100 crore investment on the Bakel in six months. Bakel Resorts Kerala Ltd (BRKL), an outfit sponsored by Kerala government, is the authority to deal out acquired or negotiated property blocks at Bakel beach to interested hotel groups. Taj and Oberoi groups had pretty early laid their finger on two blocks in the BRKL fold. Bharat Hotels and UAE based Holiday Group have agreed to pay licence fee for RS 6 (Resort Site -6) and RS-7 of Bakel on which Leela Hotel Group had earlier set its eyes. "Despite getting the first hearing from Kerala government, Leela Group could not match the licence-bids made by the other groups," KV Mohan Kumar, managing director, BRKL told. The land value fixed for 10.3 hectares of RS-6 block and 12.9 hectares of RS-7 block are Rs 4.52 crore and Rs 3.1 crore respectively. (*Leela Hotel Group Exits Bakel Fray, Bharat Hotels, Holiday groups enter the race, M. Sarita Varma, FE.D, 17.02.04, L58*) Kerala government's Rs 65 crore Bekal Project which involves constructing and running six resort properties in a total land spread of 189 acres in Bekal, a beach destination in Kasargod, Kerala, is set to kick off in September 2004. Four of India's leading hotel

based Holiday Group are involved in the development of the project. Of the six resorts, Khanna Hotels Pvt. Ltd leads the pack and will be developing two while the Taj Group through its Taj Kerala Hotels and Resorts Ltd (TKHRL)

venture, Oberoi through the Oberoi Kerala Hotels and Resorts Ltd (OKHRL) and Bharat Hotels and Holiday Group will be developing one each. (*Six Bekal Resort Projects to kick off in September, Savio Rodrigues, FE.B, 3.08.04, L58*)

## M TAMILNADU

### M 11 Planning, Policy

Defending the draft notification making Central environmental clearance mandatory for construction of projects by states along coastal areas, former Union Minister T R Baalu said the Supreme Court, which was now seized of the matter, could withdraw the notification only on a direction. He explained that the power for giving clearance was with the Centre till 1992 and was given to state governments subsequently. In 1997, the Centre, following several complaints, once again took the power back. "The proposed requirement of environmental impact assessments for the purposes of adequate town planning is a major step forward," he said, he had cleared 3700 forest projects and 669 environmental projects in 1999-2003. When he was in office. "My predecessors had cleared only 6655 forest schemes from 1980 to 1999," he pointed out. These included the Rs 348 crore 100 mw project in Ramanathapuram, Rs 436 crore 100 mw power project in North Chennai, Rs 977 crore 460mw project in Tuticorin, Rs 2650 crore 500 mw Neyveli second mine cut, Rs 5250 crore two units of 660 mw each, at Neyveli and Rs 8000 crore LNG project at Vembar. (*Draft Coastal Area Notification Can be withdrawn only on SC direction, FE.B, 11.02.04, M11*)

### M 57 a Ooty

More than 6,000 Irula and Kurumba tribals living in the forests adjoining the Mudumalai Sanctuary forest area are up in arms against the Nilgiris district forest officers for not allowing them to earn income by way of collecting and selling minor forest produce. There are 200 tribal families with a population of 6000 in 13 hamlets, including Anaikatti, Sriyur, Singara, Mavanallah, Chokkanalli and Vazhaithottamin

the Nilgiris north division forests. Since olden days the tribals used to collect minor forest products (MFP) in the above forests and sell them to feed their family members. In 1976 LAMP society involving tribals was formed for collecting and selling the forests products. In 1994, the tribals formed their own organizations in their respective villages, and through them, they had collected and sold the forest produce. The testing time started for the tribals in 1997 when the forest department, Chennai, ordered Mudumalai sanctuary expansion project and under which, the tribal area forests had to be merged with the Mudumalai Wildlife Sanctuary, compelling the tribals to go out from inside the forests. The locals have even sold the cattle as per the advice of the forest officials and also have not been allowed to collect cow dung in the forest area also. Earlier, we used to earn a profit of Rs 5 lakh through selling MFPs. (*Tribals up in arms against forest officials, IE.C, 19.03.04, M57a*)

### M 57 b Kodaikanal

The reclassification of land, especially of plans on which un-authorized constructions are currently in progress in Kodaikanal, should not be made until further orders, the Madras High Court has said and gave the direction to Kodaikanal Municipality authorities while passing interim orders on a writ petition from Kodaikanal Environmental Youth Service. By virtue of the interim direction, the authorities are restrained from reclassifying the land, which would result in legitimising the illegal ongoing construction works. Since 1993, 845 unauthorized constructions had been detected and confirmation orders had been issued in 802 cases. (*Don't reclassify land in Kodaikanal: HC, NIE.C, 19.03.04, M57b*)



## N 00 Tourism Related

If tourism is the buzzword for all and sundry, can that 'paan-chewing, rugged' Hyderabad auto wallah be left behind? Soon, you will see an army of auto drivers sporting a smile on their faces and 'Tourism-friendly auto driver' badges on their shirts, driving their vehicles all around. Not only that, they will talk to you in a pleasant voice, hold your luggage as you step into the vehicle and hold out a tourism map for you. It's not just auto drivers. You will find specially trained tourism-friendly tour operators, travel agents and customs official when you go on a trip to tourism spots in the State, thanks to an initiative by Union Ministry of Tourism. *(Towards a tourism-friendly Hyderabad, K.V. Kurmanath, BL.B, 20.05.04, N00)*

In a move that could slow down Y S Rajasekhara Reddy's gravy train, the World Bank made it clear that it has not taken a kind view of some freebies announced by the sate government and would review some projects in Andhra Pradesh. Largesse such as these cold derails the bank's reforms process, now on under its structural adjustment Programme, World Bank country director Michael Carter said. "Some of the policies need to be looked at afresh in Andhra Pradesh. We want to make sure the conditionalities for the projects are in Place, Carter said, He was talking to reporters in the national capital. The slow implementation of some bank-funded schemes in AP apparently spurred the bank to take a critical view Carter had a critical view of the Congress government's programme to grant free power to farmers. "Such a move would lead to tillers pumping out more ground water, which over the years has already been depleted in several parts of the country. This would cause severe damage to the environment." *(World Bank Critical of Andhra freebies, TOIM, 27.06.04, N00)*

The finance minister said that the government has decided to honour all the agreements entered into by the earlier government with the

World Bank. "To safeguard the reputation of the government, we resolved to respect the agreements with the World Bank, though the Bank has reservations on certain areas like free power and privatization and we disagree with them." While explaining the government's policy on World Bank financing, the finance minister said that the new Congress government would not accept any of the conditions put by the World Bank for extending the loan. "By now it is clear that the World Bank wants us to withdraw free power, but the government is persistent on it. The World Bank is also in favour of privatizing corporations like APSRTC. We are against these conditions and whenever we go for new loans, we will not accept such conditions." Further, the finance minister said that the World Bank had agreed, in principle, to increase funding for urban development projects from the existing \$100 million to \$300 million. *(AP To honour ongoing IBRD funded projects, FE.B, 17.07.04, N00)*

Austria will provide the Andhra Pradesh government with a loan of Rs 3,400 crore for hydroelectric power plants, lift irrigation schemes, and other irrigation projects. Andhra's minister for major irrigation Ponnala Lakshmaiah, who signed a MoU with the Austrian government. The Austrian companies are leaders in hydroelectric power production as also irrigation. Sixty per cent of the loan will be in cash and 40 per cent in materials. It would be repayable in seven years after the project is completed. It would carry an interest of 4.9 percent. Austria is prepared to consider additional aid, the minister said.

The minister said Andhra's economic growth had been six per cent but growth of agricultures sector was only three per cent and that too was given to wide variation. Pointing to another anomaly, while two-thirds of people depended on agriculture, it contributed only 24 per cent of GDP. To achieve sustainable economic growth,

it is necessary to give priority of the rural sector and empower the poor. That is exactly what his government is doing. Besides, it plans to undertake four new projects and create a 65 lakh of new irrigation potential in the next five years besides adding 2000 mw of hydropower. The government has allocated Rs. 46,000 crore for the purpose. *(AP Signs MoU With Austria For Funding Hydroelectric Plants, FE.B, 8.08.04, N00)*

Recognizing, tourism as a major growth engine for generating more employment and boosting economic growth, Andhra Pradesh is positioning itself as a favoured international and domestic destination. The state government is chalking out long-term strategies for promoting the state as a favourable destination for both domestic and international tourists. By giving priority to rural, temple and heritage tourism, livelihood of small artisans producing and promoting the exclusive handicrafts the state are expected to get a major boost. The government is working on strategies outlined in the plan relating to the development of infrastructure, marketing, human resources management, investment and institutional structures in tourism. Tourism contributes about 6.37 percent of the state GDP and has been growing steadily with increased tourist arrivals.

The state government has decided to work on a public private partnership model where by the facilitator and the private sector's role would be encouraged. Working on a new mantra called 'Responsible Tourism' the state government is taking responsibility for development and propagation of tradition and culture, further, the Andhra Pradesh Tourism Development Corporation (APTDC) has suggested to the government of India that it be made the regional hub for cruise tourism connecting the Andaman Nicobar and Lakshadweep Islands. *(Andhra Pradesh Positions Itself As A Favoured Tourist Destination, FE.B, 19.09.04, N00)*

Aimed at transforming the Coastal Andhra region into a 'strategic growth corridor' that could attract investments of over Rs 20,000 crore, the Andhra Pradesh Government has firmed up major industrial development plans for the region that involves connecting the Gangavaram Port, the Pharma City and the AP Special Economic Zone (APSEZ) to the National Highway, an estimated infrastructure cost of Rs 182 crore, the first phase of a 617-crore Visakhapatnam Industrial Water Supply Project, developed by the Infrastructure Leasing and Financial Services Ltd (IL&FS) in alliance with Larsen and Toubro (L&T) and the Andhra Pradesh Industrial Infrastructure Corporation Ltd (APIIC). *(AP plans 'strategic growth corridor' in coastal region, C.R. Sukumar, BL.B, 26.09.04, N00)*

## P GOA

### P 00 Tourism related

"There is ample scope for tourism and Central Bank is keen to finance this sector as well in Goa." said General Manager M B Khurjekar, he also urged all Goans to avail of the package which consists of various schemes such as Cent Mortgage (personal loan against property), CentTrade (business loan against property), Cent Rental (advance against rent receivable), Cent Buy (consumer loan) and the newly introduced Cent Multipurpose (combination of housing loan, education loan, consumer loan etc.) *(Central Bank to finance tourism industry in Goa, Gomantak Times.P, 1.1.04, P 00).*

The Minister for Panchayat, Mr. Manohar Azgaonkar said, the proposed international airport at Mopa will give boost to the tourism activities in the Arambol beach areas, which is nearest to it and urged the local peoples representatives to make effort for development of tourism infrastructure facilities in the area. *(Proposed Mopa airport to give boost to tourism, Navhind Times.P, 7.1.04, P 00)*



Goa should look beyond the sun-surfsand combination and work towards becoming a



major destination for conventions. Tourism expert Pranab Pal voiced this opinion. Goa is very popular with the charter tourists and boasts of a

tremendous amount of repeat clientele' which means that people are going back satisfied. He said Goa is not only the beach. You need to promote the other facets of Goa like the spice plantations, its villages and its natural beauty. These are aspects that have to be promoted urgently at this point of time and one thing that is needed for Goa to seriously as a tourism destination is a big convention centre. This is one area of tourism activity that is growing worldwide and we do not have it in Goa. (*Goa should explore convention based tourism, GT.G, 8.1.04, P00*)

The state government plans to rehabilitate the displaced persons and sex workers at Baina by formulating a special scheme shortly and later develop Baina beach as a tourist spot. The government has no plans to hand over the vacated land to any private parties or to the Mormugao Port Trust. In response to a demand from Mr. Faleiro and Mr. Vaz that the government should part with the land to any private parties to develop the area, Mr. Parrikar emphasized and said the beach area would be converted into a tourist spot. (*Govt. to develop Baina beach as tourist spot, Herald.G, 21.2.04, P 00*)

Goa's tourism industry fast running out of fresh ideas to promote itself - has seen new hope in the government's recent decision to set up the largest convention centre in Asia. Chief minister Manohar Parrikar announced that the Union government will set up the Rs 1500 crore complex with a capacity of 6,000 to 8,000 delegates, almost double the capacity of the Convention Centre of Asia in Manila.

We can offer that perfect mix of business and pleasure at one destination. A Gomes Pereira, area manager for the Travel Corporation of India echoed De Souza's view, "The convention centre is a long delayed development. Goa has so much potential and it will be extremely good for business. We will definitely see a boost in business travelers." (*Tourism Industry hails convention Centre, GT.G, 7.2.04, P00*)

Singapore Tourism Board has decided to promote its tourism in Goa, besides making it number one tourist destination for Indian travellers, according to marketing manager (South Asia), Arun Srivastava he also told that Singapore was the most favourite destination for Indian tourists and nearly 3.75 lakh Indians tourists visited in the year 2002. It now plans to target 5 lakh Indians by 2005. It had 7.5 million inbound tourists in 2002. According to him, Singapore was really inspiring place and the best tourist destination and a safe place like Goa. (*Singapore Tourism Board to Promote tourism in Goa, GT.G, 4.3.04, P 00*)

The Mormugao Port Trust (MPT) is gearing up to set up India's only state-of-the-art international cruise passenger terminal at 'Baina Bay' by 2006. The project, estimated to cost about Rs 200 crore, envisages a full-fledged terminal with customs and immigration counters, conveyor belts for luggage, waiting lounges and a 450 meter-long pier that will be able to accommodate even the biggest of cruise liners. There is also a proposal to set up a Duty Free shopping center at the terminal. (*Baina Out of the Red, Reuven Proenca, GT.P, 26.3.04, P 00*).

The turtles do not bring any income to these villagers, yet they eagerly await them. These visitors are none other than the Olive Ridley turtles, one of the endangered species of sea turtles in the world.

#### *Eco-tourism*

Call it a mere coincidence or a natural phenomenon the tourism and the nesting seasons begin almost at the same time in Goa, between September end and May. While





increasing tourism related activities has had an adverse impact on the nesting activity arrival of turtles has in fact promoted ~~eco~~ tourism in the State. The number of nests, total I number of eggs and total hatchings released is as follows - Morjim (9-927-558); Galgibag (14-1,405-922) and Agonda (6-590-213). (*Decline in nesting of Olive Ridleys in Goa, Anil Sastry, TH.D, 29.8.04, P 00*)

This is no ordinary citizen and this is no ordinary case," said lawyer Majeed Memon of his British client Allan Waters (56), as the child abuse

suspect was presented before a Metropolitan Magistrate. Wanted since November 2001, Waters was brought back to Mumbai yesterday by a two-member police team, following his extradition from New York. Waters was accused by four street children (13-18 years) of sexually abusing them at the Anchorage shelters set up in 1995-6 by friend and co-accused, Duncan Grant. A few street children who used to live at the Anchorage shelters watched the proceedings. (*British paedophile suspect sent to police custody, IE.D, 8.9.04, P 00*)

## Q NORTH EASTERN STATES

### Q 00 Tourism related

Such knowledge makes it impossible for him to remain hungry in the rugged, heavily forested hills that rise up from behind his village of Khonoma, in Nagaland's Kohima district. He likes the taste of chicken, beef, pork and - feasts permitting - mithun meat too, but is otherwise botanically equipped to spot the edible vine, creeper or succulent, bush, fruit, berry, leaf and tuber to add to his cooking pot, all of which he does regularly. To walk the Naga Hills is to understand a mind and a community that is extraordinarily attuned to the environment in which they thrive, and which has as its fundament, the concept that we know and call as sustainability. That, when linked to the catchall word "development", the concept is the subject of innumerable working papers, seminars and conclaves, and otherwise provides tens of thousands of "development professionals" with a livelihood is hugely amusing to Kevin and his friends.

These are resident skills that the village community of Khonoma - a settlement of about 500 houses cradled by the hills is hoping to exploit as a tourism winner. Furnished with a grant from the Ministry of Tourism and Culture in New Delhi, and supported by the Nagaland State Government, which is bent on turning the village into a showcase eco-tourism model, the village is awash with plans and dreams that

revolve around the mantra, repeated by the younger set, of "when the tourists come".

Unreasonable politics and unreliable infrastructure are not however what worry the Khonoma village elders as much as the unaccustomed attention. India - all too often, and sadly, referred to as the "mainland" - has in its effort to get the Nagas to abandon their goals and ideals used military might and material inducement. Yet Naga society has never been held in stasis. From the time of their fierce encounter with the British colonial forces in the 19th Century and until today, they have not been passive victims of processes designed to erode culture. Rather, their sense of history and tribal identity has been destroyed and disused.' A good bit of that optimism derives from the pragmatic approach of the village youth towards the potential that tourism may hold for them. It is a perspective shaped by the village council, which chooses to see tourist revenues as only one among several streams of communal income, and certainly not the most important, despite the beliefs of distant planners in New Delhi and opportunist bureaucrats in Kohima. It is a step into the unknown for a community that has been the touchstone of the Naga nationalist movement, and which is justifiably proud of its provenance. It is also one they are taking with the watchful caution that has long characterized the Naga soul (*Head for the Naga Hills-Tourism is coming to a remote village community in Nagaland and while planners and bureaucrats see it as a perfect enterprise, Naga youth are illustrating why they will have the final say, Rahul Goswami, TH.B, 28.3.04, Q 00*)

## S OTHER STATES



### S 10 Eastern India-Orissa, West Bengal

Kolkata has become the country's first city to have a floating hotel that arrived here and in turn joined cities like Moscow, St. Petersburg, Vienna, Hamburg, Amsterdam, Phnompen, Hong Kong where 'Floatels' are the major tourist and business attractions. The four-storied Floatel in Kolkata has been built according to international four-star standards and was under construction for the past four and half years at the Kidderpore docks. Mr. Pal said the Floatel, which was being given the look of a ship, would be managed by Orchid International and had been under the constant scrutiny of the American Bureau of Shipping, an agency affiliated to the UN's International Maritime Commission that certifies, floating structures on the basis of safety and security. (*First floating hotel in Kolkata, TH.B, 18.05.04, S10*)

The West Bengal government signed a Memorandum of Association (MoA) with beyond limit international limited (BLIL), a joint venture company floated by Salim and Ciputra groups of Indonesia, for constructing a mega township in West Howrah at a cost of Rs 3200 crore. The township would be constructed for residential, industrial and commercial purposes, adding that the foreign company had also agreed to provide housing for weaker sections within the same premises. Earlier, the state government invited the Indonesian group to explore the possibility of investing in West Bengal. The township would also generate employment of 3,000 people and the land would be given on 999 years lease.

(*Indonesian Group To Invest Mega Township Project In WB, FE.B, 8.07.04, S10*)

### S 20 North India-UP, Bihar, Uttaranchal

Uttaranchal's unchallenged beauty will now become even more accessible, thanks to its tourism secretary N.N. Prasad who has prepared an exhaustive Rs 1,187 crore master plan to promote tourism infrastructure in the

state. The master plan incorporates improvement of Chardham, development of eco tourism, development of ski resorts at Dayara Bugyal, development of water sports resort at Tehri Dam, improvement of infrastructure facilities on major trek routes, development of the area in and around Pithoragarh, Uttarkashi, Chamoli and Dehradun besides development of two new circuits Pauri-Khirsu. Officials revealed that over 100 proposals from private sector have already been mooted. Mr. Prasad said the prestigious Taj Group of Hotels are establishing a chain of modest economy hotels in the state, under which the group will set up eight hotels on the Haridwar and Badrinath route to attract the middle income group tourist. The Dehradun airport is also being upgraded and developed and three airstrips in the hills will be operationalised soon.

Two new tourism circuits have also been identified between Pauri-Khirsu and Pithauragarh Munsiyari to promote lesser-known destinations, removing tremendous pressure on popular hill stations such as Mussoorie and Nanital. The government has also tied up with a France based public relation agency to promote Uttaranchal as modest tourist destination in Europe and England. "Uttaranchal has fast merged as a major tourist destination, specially because it is richly endowed with natural splendour. This state provides tourists a breathtaking panoramic view of the Himalayas besides an unparalleled world into a rare diversity of flora and fauna. It is an ideal destination for the development of eco-tourism projects and activities like jungle safaris, trekking, forest trails, nature walks and angling for Mahaseer. (Rs. 1,187 Cr set aside for Uttaranchal tourism, AA.B, 21.01.04, S20) This summer, holidayers will have a new destination to choose from the state prison and the holiday itinerary; being put together by the Chhattisgarh Tourism Board (CTB) with private



entrepreneurs, includes staying in the prison cell, a special dinner of jail ki roti and dal, besides games such as escaping through a specially dug tunnel. The novel idea is part of the CTB's mega drive to promote the state's tourism potential. The board has already acquired an abandoned state prison in Jagdalpur for the purpose and is in the process of inviting tenders from private hoteliers and hotel chains to operate and manage the premises. The state is also taking several initiatives to generate interest in both the entrepreneur and the tourist in the state. To name a few tourism has been granted industry status; exemption has been granted on entertainment and luxury tax for a period of 10 years and the state has cut levy on aviation turbine fuel to 4 per cent. **(Chhattisgarh jail beckons tourists, Byas Anand, TOI.M, 3.02.04, S20)**

The following are some of the important tenders floated by various organizations/institutions:  
*Jharkhand State Electricity Board (CE - S&P), Engg Bldg, HEC, Dhurwa, Ranchi 4: For supply of type tested 11/4 KV AI, wound 63 KV AI, CRGSO core transformers. Qty: 600 nos.*

*Government of Jharkhand, Civil Aviation Dept, CMPDI Bldg, Kanke Road, Ranchi: For supply of six to eight (excluding crew member) seater twin engine jet, super king air B-200, King Air C-90 aircraft on lease as & when required basis.*

*National Chemical Laboratory (Sr Stores & Purchase Officer), Pune 411008: For development and implementation of an open source Web-based integrated enterprise work flow and information management portal software application for National Chemical Laboratory.*  
*MP State Tourism Dev Corpn (DGM Water Sports), Gangotri, 4th floor, TT Nagar, Bhopal (MP) 462003: Corporation plans to acquire two cruise boats for launching backwater cruise on Narmada river at Bargee Dam near Jabalpur. Cruise boat to be a double decker and twin or mono hull or a combination made on GRP. Carrying capacity 50 persons plus soft load of two tonnes. Speed 10 to 12 knots, which are operational & running.*

*West Bengal Co-op Spinning Mills Ltd (Mg Dir), 25, Ganesh Chandra Avenue, Kolkata 700013: For supply of machinery for following departments for purpose of modernization: a) Blow-room, b) Carding, c) Draw Frame, d) HS Speed Frame, e) Ring Frame, f) Post Spinning I) Auto Coner, ii) Splicer. (M.P. Tourism calls bids for backwater cruises boats, BL.B, 3.3.04, S20)*

The Government of India has recommended to the United Nations Educational, Scientific and Cultural Organization (UNESCO) to include the Golden Temple at Amritsar, Punjab, in the World Heritage list. Prof. Enamul Haque, the one-man commission on behalf of the UNESCO, I will visit the place this month to make his assessment. He will forward his recommendation, based on historical, cultural and architectural factors, to the International Council on Monuments and Sites (ICOMOS)/ UNESCO. In July this year, the UNESCO included the Brihadeesvarar temple at Gangaikondacholapuram in Perambalur district and the Airavatesvara temple at Darasuram in Thanjavur district, both in Tamil Nadu, in the World Heritage list of monuments and sites. The Brihadeesvarar temple in Thanjavur town was earlier included in the list. All the three temples are outstanding examples of Chola architecture and sculpture. **(Government wants Golden Temple to be in World Heritage List, T.S. Subramanian, TH.B, 3.8.04, S 20)**

The Madhya Pradesh Tourism Development Corporation Ltd (MPTDC) has decided to tap the huge domestic tourist potential, and is eyeing a 70 per cent jump in revenues for the current fiscal. The corporation is quite clear about its target. "We are mainly targeting domestic tourists. We are not looking at international tourists," said Mr. Ashwani Lohani, Managing Director, he also said that the State had taken up a major infrastructure development programme. This would connect all the major tourism destinations with good roads. **(MP Tourism to tap potential, BL.B, 24.08.04, S20)**



*West Bengal Co-op Spinning Mills Ltd (Mg Dir), 25,*

### **S 21 Jammu & Kashmir**

The recent detente between India and Pakistan has appreciably boosted up the tourist traffic to Kashmir. According to the officials, about 500 tourists are arriving in the Valley daily. For the first time the State Tourism Department has started winter sports in the mountain resort of Pahalgam, some 100 km south of capital Srinagar. "A large number of youth are being imparted lessons in skiing," said one of them, adding that Gulmarg, the famous winter sports resort in the northwest of the Valley, has already hosted the first part of India's National Winter Games. Tourism is an important sector of the state's economy and employs a large workforce. The years of militancy after 1990 had seen the closure of almost all tourism-related activities. "The improving situation is expected to further boost tourism activities during the forthcoming summer season", they also told the Kashmir Tourism Department would be specially targeting Gulf travelers, who had been visiting the Valley in large numbers prior to the eruption

of militancy in 1989-90. For the first time the Kashmir Tourism Department would be participating in a big way in the forthcoming Arabian Travel Mart in Dubai. (*Peace big boost to Kashmir tourism, AA.B, 19.02.04, S21*) Express power golf 2004 starts with tow days of exciting competitive golf and drives hit down the lush green fairways and putts holed on the scenic Royal springs Golf Course in Srinagar and the Gulmarg Golf Courses in Gulmarg. Express Power Golf 2004 will host over 90 amateur golfers, hailing from the corporate and business arena and professional like Bharat Patel. (*Golf in paradise-Express Power Golf tees off in Kashmir, Shona A Singh, IE.D, 30.08.04, S21*)

### **S 30 Western India-Rajasthan**

After a lull, foreign tourists are returning to Rajasthan in droves. In fact, that the popular luxury train Palace on Wheels (POW) has had to make advance bookings for the next three years. Rajasthan Tourism has decided to hike fares from the, current \$350 per person by 10 per cent from the next fiscal. The state tourism ministry is planning to develop Rajasthan as a 365-year destination.

| Foreign Tourist Arrivals In Rajasthan                        |             |        |        |        |        |             |
|--|-------------|--------|--------|--------|--------|-------------|
| JAN-JUN 2004   |             |        |        |        |        |             |
| 2004   | 1st Quarter | April  | May    | June   | Total  | Grand total |
| 2003   | 2,87,661    | 48,633 | 27,397 | 20,953 | 96,983 | 3,84,644    |
| %Change  | 1,72,103    | 29,315 | 17,688 | 17,321 | 64,324 | 2,36,427    |
|  | 67.14       | 65.89  | 54.89  | 20.97  | 50.77  | 62.69       |
| NOTE: the low value in 2nd quarter is due to seasonal factor |             |        |        |        |        |             |

*(Palace On wheels Drives up tourist Arrivals in Rajasthan,  
Sanjay Thapa, FE.B, 7.09.04, S30)*



### **T 00 International Tourism Volumes and Patterns**

Sri Lanka is keeping its fingers crossed that the Indian government's open-skies policy, rocked by turbulence at the moment, ultimately takes off. This is because India leads the global tourist pack to Sri Lanka. The island nation is expecting 1,50,000 tourists from India in calendar year 2004 against last year's 93,000. Since an Indian traveler to Lanka offloads \$85-90 per day against the average \$6570 spent by other international tourists, India is definitely one of the thrust areas this year for Sri Lanka Tourism, a board funded by the government Sri Lanka. Emboldened by the prospect of Sahara and Jet launching their direct flights to Colombo, the board is also expecting India to contribute 25-30% to the \$11 million global market and has already launched promotional activities across various media, including the internet, but the travel industry may take heart from the fact that possibly procedural snags are holding up the two private airlines from launching their regular flights to Lanka. While Jet is yet to decide on the exact sector, the airline is likely to announce the commencement of a direct flight to Colombo this month itself. (*Touristy Lanka hopes open skies take off, Madhumita Mookerji, ET.D, 11.2.04, T 00*)

### **T 10 South Asia**

Sri Lanka has set a target of wooing one-and-a-half lakh Indian tourists during the current calendar year. It attracted 98,000 tourists from India last year; the island nation has become a favoured destination for many Indian tourists from IT and other corporate sector. "And with growing disposable incomes in many Indian middle-class families, we hope a large chunk of them will choose to visit our beautiful drop shaped island that offers many attractions within their budget." Sri Lankan Airlines (SLA) launching its Colombo-Hyderabad Colombo flight on Sunday, said now that Colombo is directly connected with Andhra Pradesh,

traveling to Sri Lanka would be cheaper. (*Lanka has plans for Indian tourists, M. Enosh Jeremiah, ET.D, 25.2.04, T 10*)

### **T 20 South East Asia**

Booming tourism, neglect and inadequate funds for protection is nibbling away China's Great Wall and just one-third of it remains. Only one-third of the 6,350 km of Great Wall, a world famous landmark in China, now exists and the length is still shortening. Surviving for centuries, the Great Wall was listed as a world cultural heritage site in 1987 by the UNESCO.

Investigation showed that the project was part of the planed Hongyu Villa project, unauthorized by the cultural relic department. After being fined 100,000 yuan (\$12,000) for the damage to the Great Wall, the investor Zhou Wen felt he had been wronged. Booming tourism, in itself, has increased the burden on the Great Wall. The Wall has offered popular scenic spots and brought huge profits in recent years. Statistics show it receives about 10 million visitors every year all over the country. (*Tourism devours China's Great Wall, ToI.B, 27.1.04, T 20*)

Singapore visitors centre (SVC), the first in India, was inaugurated in Chennai by Shakthidasan, commissioner of tourism, Tamil Nadu. Set up by Singapore Tourism Board (STB), the centre will provide customer service support to Indian travellers to Singapore. "Indian tourists to Singapore are the fourth highest spenders. STB has also set up Marketing Advisory Council to suggest to STB the strategies for growth and development of the Indian market. STB aim is to create a top of the mind awareness about Singapore, when it comes to tourism, in the minds of the people. The number of visitors in 2003 was 6.1 million as against 7.5 million tourists, who visited the country in 2002. (*Singapore Tourism Opens First Visitors Centre In Chennai, FE.D, 24.2.04, T 20*)



In a bid to promote medical tourism, the Federation of Indian Export Organizations (FIEO) would lead a team of 12 Indian Hospitals on service exports. The team of hospitals would visit Singapore, Indonesia and Malaysia. In this Healthcare delegation, the federation would focus on presenting to these countries the vast range of specialized hospitals, the state-of-the-art medical facilities and the high quality of skilled and trained medical personnel manning them. (*FIEO to promote medical tourism, NE.C, 19.9.04, T20*)

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Chinese tourists are becoming a sought after commodity in countries around the world. They are to the 21st century what Japanese tourists were to the previous one. Hong Kong is no exception. It is, of course, technically a part of China but will continue to remain an autonomous region till 2047. The territory has been leveraging this very proximity to the mainland to its fullest in its attempts to attract Chinese tourists. A recent report on Chinese tourists

in Hong Kong, estimates mainland visitor arrivals to the city will increase by 4 per cent in 2004 to hit 12 million. And, these 12 million odd visitors aren't coming to the city to only to take in the bright big city lights and sights of Hong Kong. They are spending. The per capita spending is pegged at US\$625, which adds up to US\$7.4 billion a year. This is an impressive total. Mainlanders are effectively contributing for as much as 28 percent of Hong Kong's total retail sales equivalent to 1.5 per cent of estimated 2004 nominal GDP. Finally, the rise in debit and credit card ownership in China has also changed the dynamics. The report estimated that 64 per cent of the visitors held at least one debit card and 75 percent at least one credit card. Despite the fact that usage still continues to be low, this does imply that visitors are no longer cash constrained. Hong Kong stands to lose little by catering to the mainland. (*Mainland Tourists Fuel Hong Kong Economy, Gauri Lakhanpal, FE.B, 19.6.04, T30*)

### **T 60 Europe**

According to trade estimates, the per head spend of Indians is in the region of \$2,500-\$3,000 in Europe during a holiday, which includes both food and shopping. The result is special promotions designed for Indian audiences, unique discounts, and acceptance for the Indian rupee even in places as far away as Switzerland. Mr. Fredrick Diveja, SOTC vice-president, SOTC said that even though post liberalization almost all international brands are available in the country, Indian holiday makers and even business travellers invariably tend to shop abroad. Indians typically look for perfumes, chocolates, watches, jewellery and other giveaways. Tour operators, therefore, tend to put together packages, which have a reasonable shopping component in it. For instance, SOTC European packages spanning 14, 18 and 20 days offer shopping space up to two-and-a-half days. (*Shop savvy Indians excite EU tourism, Girish Rao, ET.C, 29.1.04, T60*)

## T FOREIGN COUNTRIES



### **T 00 International Tourism Volumes and Patterns**

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Even though Indian arrivals into Spain the second most popular tourist (54.2 million) destination in the world are like a drop in the ocean its tourism board is kicking off new initiatives in the Indian market to double traffic this year. Indians have moved up the ladder to become the highest Asian spenders in Spain in recent years, ahead of favourite like China. In shopping alone, they spend around €565 per head, and with a little marketing persuasion, their numbers as well as the length of their stay, can be increased. In fact, Spanish tour operators along with local film commissions are visiting the country with special packages aimed at facilitating Bollywood productions in Spain. Though last year Spain received 10,000 Indians, which is small by any standard, the quality of the audience was good. (*Spain Wooing Indian Tourists, Girish Rao, ET.B, 25.2.04, T60*)

With the Congress in power in New Delhi, talks of proximity to Russia have come alive once again. India wants to begin with more people-to-people contact. It plans to increase the number of flights to Moscow to achieve this. "There is a scope to increase the tourist traffic between India and Russia and for this the number of flight between the two countries is expected to be increased," said Mr. Rajiv Dogra, joint secretary in the ministry of external affairs (MEA). The Indo-Russian trade has stagnated to \$1.5 billion for several years now. So far, the trading was done in rupee-basis, but from this year on, India is gradually going to trade in hard currency on dollar basis, as all countries do. India's debt of \$4 billion from the erstwhile Soviet Union will come to an end in three to four years' time. India makes a repayment of \$900 thousand every year. Today, exports from India to Russia totaled 1.34 per cent of India's entire exports. And imports were just 0.97 per cent in 2003. This is another cause for the Russian worry. Most Indian goods supplied to Russia are a part of the debt repayment arrangement made by India. The major part of this debt would be repaid in one or two years, and Russia is worried that bilateral trade between India and Russia could fall

further due to this. (*Better Scope for Enhancing Tourist Traffic to Russia, Huma Siddiqui, FE.C, 18.8.04, T 60*)

#### **T 80 Caribbean/Central and Latin America**

On his arrival in India, Brazil's President Luiz Inado Lula da Silva will see a vibrant country that has been growing at 6 % a year for a decade - which is more than twice Brazil's rate. But Brazil, with one sixth of India's population, has a much higher per capita income. Currently projected growth rates say that India will be the fourth largest economy in the world in 2025 and Brazil the eighth. The visit has enormous bilateral significance as well. The two nations have huge and unrealized prospects for collaborating economically, socially and culturally too both face important socio-economic and environmental challenges and they can learn from each other's development experience. This potential for learning and exchange makes them natural partners in development. To be sure, there are major differences in the socio-economic characteristics of their development patterns. In India, for example, the scale of poverty is larger. Brazil, on the other hand, has a more skewed distribution of income. At the same time, both find that economic and social challenges are inter-woven and inseparable. Both the economies see that sustained progress calls not only for economic growth but also changes in the quality of growth to include increasing numbers of people in the process. And, they share a number of priority focus areas when it comes to the nature of the growth process.

The bilateral trade between Brazil and India is only US \$ 1 billion a year today, but the large price differentials between the two suggest that opportunities exist in pharmaceutical drugs and in equipment. Areas of culture, education and technology represent promising and under-exploited avenues for growing collaboration and trade. Reforms governing foreign investment matter too: foreign companies relying on Indian participation have triggered 50% yearly growth of information technology, with \$10 billion in exports in 2003.



Brazil and India today are two countries with enormous possibilities for greater partnership and growth. The vital question is how the nature

of their growth will ensure a better life for increasing numbers of people " in the current and future generations. (*Natural partners in development, ET.B, 24.1.04, T80*)

## U INTERNATIONAL ECONOMY

### U 00 International Economy, Globalization

On Most Counts the 2004 meeting of the World Social Forum in Mumbai has been a resounding success. The fourth annual meeting drew 80,000 participants and it had representatives from around the world, even if the overwhelming majority came from the host country. The WSF was witness to hundreds of seminars and panel discussions on a variety of issues related to globalization. The meeting brought together members of some of the most active political and social movements in the world and many leading thinkers in politics, economics and culture all united by a belief that "*another world is possible*". There was also some involvement of government representatives such as in discussions on WTO issues where senior officials from Brazil and India interacted with activists and independent thinkers. The forum has come to be described as a "carnival of ideas".

In just three years, the WSF, a platform for discussing alternatives to globalization, has acquired a profile that matches that of the much older World Economic Forum, the yearly meeting of government policy-makers and corporate chiefs usually held in Davos, Switzerland. In terms of creating an awareness of alternatives, if not in terms of having a concrete impact on national policies, the WSF has been a success story. With the forum moving outside Porto Alegre, Brazil, for the first time, the shortcoming of drawing little participation from Asia was addressed at Mumbai. The WSF provides the space for members of a variety of political, social, economic and cultural organizations to discuss and exchange ideas. It has also become a rallying Point for groups hoping to formulate alternative agendas. The open and loosely networked organization of the

forum is its strength. The only disqualification for participation is a belief in violence as an instrument for political and economic change. The WSF began as a meeting place to develop critiques of economic globalization. However, its conference agenda has been broadened and deepened and now covers a range of socio-political and cultural issues. At Mumbai, the issues discussed included the U.S. occupation of Iraq, the Kashmir question, caste in India, and challenges and opportunities in the realm of the media and knowledge, including the free software movement.

The open agenda of the programme encourages truly diverse, some would say inchoate, discussion, and the involvement of some fringe elements. But this is a small price the forum has to pay to maintain inclusiveness in participation. One criticism from within the anti-globalization movement is that the forum is but a vast talking shop from which no concrete programme has emerged thus far. Yet this complaint ignores the very phenomenon that gives the WSF its strength: providing movements and organizations from around the world a geographic and even temporary political "space" where they can share experiences, toss around and fertilize new ideas. How successful this process will be depends on how the participants subsequently build on their WSF experiences. The other criticism, from the so-called mainstream, is that all the discussion about opposing globalization is nothing but tilting at windmills. This too is an unfair criticism. In a world where global capital exercises such a dominant role in national economies and societies, there are few opportunities available to debate alternatives or air dissent. That the forum is internationally perceived to provide a major



to do this year after year, drawing in new participants, is heartening from a democratic standpoint. (*The WSF phenomenon, TH-B, 22.01.04, U00*)

Buoyed by performance of software services and tourism sector, India's balance of payments (BoP) surplus doubled to \$1.8 billion on the current account for third quarter ended December 31, 2003 over the same period previous fiscal. The earnings from software services, including BPO, was pegged at \$3.47 billion in Q3 compared to \$2.92 billion dollars in July-September 2003 quarter, RBI said. Receipts from travel sector more than doubled to \$453 million vis-à-vis \$223 million dollars in Q2. The break-up of various heads that make the forex reserves of the country reveals that foreign investment including portfolio investment and FDI went up by \$10.1 billion during April/December 2003 compared to rise of \$3.1 billion-during the same period last year. According to RBI, there have been significant changes in the pattern of flows during the period April-December 2003. It said the current account surplus increased to \$3.2 billion during April-December 2003 from \$2.9 billion during April-December 2002. Similarly, there has been a sharp rise in the net inflows through the capital account heads at \$17.8 billion during April-December 2003 as against \$9.7 billion in April-December 2002. (*The forex reserves as of December end has passed the crucial \$100 billion mark, rising by over \$25 billion from the April 2003 levels: IT, tourism drive India's BoP surplus, DH-B, 2.04.04, U00*)

A stranger event took place on the road from Cancun to Geneva. Not commented upon in India, it is still important, because the issues have been the subject of much vexed debate in this country. European Union Trade Commissioner Pascal Lamy, one of the most powerful men in global trade negotiations, lambasted Supachai Panitchpakadi, none other than the director general of the World trade Organization, for engaging in "dangerous

polemic" on farm subsidies. In more sanguine times, this kind of language at this level was unthinkable but trade negotiations are no longer cricket, alas!. I remember when we once rejected a political "favorite" project in the Planning Commission, bringing out how it leads to negative value added, the concerned minister also moralized, saying tell me what happens in ordinary prices. We did bringing out the profit it would make, but simultaneously the tax loss to the government with its misdeeds. As the developing world takes the moral high ground, because we are no longer scared of markets and know our strengths in competitive games, the arguments on the other side resemble political kitsch. In India this argument has been going on for some time.

In 1996, in a published report, the World Bank released new estimates. "Accelerating a trend in the mid-1980s, the 1991 economy-wide reforms virtually eliminated the anti-agricultural bias implicit in the trade and foreign exchange regimes." These are the kind of concepts Panitchpakadi has used. As Jagadish Bhagwati has been arguing, the WTO does not do much study itself and has to rely on the World Bank or OECD kind of organizations for its concepts. The World Bank makes this point somewhat emphatically for India, which we repeat, since some commentators deny this conclusion "The estimated mild protection of agricultural earlier studies which indicated much higher levels of relative price discrimination". There is no way that that issue of subsidy can be avoided, most certainly not the large ones given by the ED at economic prices. Also India will have to negotiate its own interests. The EU, the US, New Zealand and other countries have been sharply raising these issues in the discussions on India's Trade Policy Review, and more is sure to come. The debate between Lamy and the director general of the WTO will have to be understood in India. (*From Cancun to Geneva, Yoginder K. Alagh, I.E-D, 7.04.04, U00*)



Indicating that he was engaged in a "strategic dialogue" with key countries on trade issues, Mr. Zoellick downplayed the idea that the U.S. was trying to zero in on any particular "hold-out country". While "first step" had been taken to climb back from Cancun, the task of clinching a multilateral accord is something, by the nature of the WTO that we all have to do together. The Asia Pacific Economic Cooperation (APEC) forum in Bangkok took the first step.

The Singapore Trade and Industry Minister, George Yeo, said "it will be very good if we can put the (Cancun) round back on track by the end of the year". Mr. Zoellick said that his talks in Beijing showed that "the U.S.' and Chinese positions overlap quite well, actually, in terms of their overall interests". He underlined that he was "really inclined to listen to others, each step along the way" in the climb-back from Cancun. "What all of us (in the multilateral arena) have recognized is the need to combine working in Geneva with working in the capitals". (*Zoellick for strategic dialogue on global trade, P.S.Suryanarayana, TH.B, 15.2.04, U00*)

### U30 Gats / World Trade Organisation

India has decided to stick to the G-20 alliance of developing countries to forward its interests in agriculture at the General Council meeting of the World Trade Organization (WTO) instead of making individual moves. Commerce and Industry Minister Kamal Nath said that the G-20 had a lot of credibility and India was confident that its interests would be fully taken care of by the alliance. "The G-20 representations harmonize the diverse interests of its members. That is why it has so much credibility." The G-20 alliance comprises 20 developing countries from across the globe including India, Brazil, China, Egypt and Argentina. The group was formed just before the fifth WTO ministerial meet in Cancun, Mexico, last September to counter the EU-US alliance in agriculture. The alliance has taken a strong exception to the first draft of the framework agreement brought out by the WTO last week on the grounds that it was more representative of the interests of developed

countries than developing countries. The G-20 has made a submission at the WTO demanding changes in the draft. The framework agreement expected to be signed at the GC meeting next week will attempt to re-launch the Doha negotiations which got deadlocked at the Cancun meet. The group was formed just before the fifth WTO ministerial meet in Cancun, Mexico, last September to counter the EU-US alliance in agriculture. (*India to stick to G 20 Alliance on Agri Issue At WTO Meet, Amiti Sen, FE-B, 26.07.04, U 30*)

The country's national parks and sanctuaries will now become accessible to high-end foreign tourists and Indian travellers. Keen to tap the potential of structured wildlife tourism initiative, the Taj group has joined hands with Conservation Corporation Africa (CC Africa) and Cigen Corporation, a part of the Chaudhary group, to expand into yet another segment of the hospitality industry. All the three players will have an equal shareholding in the joint venture company. CC Africa is a leading eco tourism company operating 38 high-end game lodges in South Africa, Kenya, Tanzania, Zimbabwe, Namibia, Botswana. The Nepal-based Chaudhary group has interests in food and beverages, financial services, infrastructure and the hospitality sector. The Chaudhary group and the Taj group are partners in Taj Asia Ltd, which is the vehicle through which the partners own, operate, and plan to expand their hospitality interests in the South Asian and Asia-Pacific markets. The project would have a strong community focus wherein the local population would be given employment and roped into anti-poaching activities. (*Taj group forays into wildlife tourism, BL.B, 5.08.04, U 30*)

India has criticized the draft framework for negotiations circulated by the World Trade Organisation (WTO) on the grounds that it did not provide the required balance, fairness or equity between the provisions for the developed countries and those of developing countries in the area of agriculture. In a statement issued the commerce ministry said that much work needed to be done to make the draft acceptable to India. The framework for negotiations is expected to be finalized when the General Council of WTO



meets on July 27. The statement pointed out that there was a greater level of specificity on matters of interest to the developed countries and a greater level of generality in respect of the special and differential treatment (S&DT) components of the developing countries. "What is disappointing is WTO WATCH the lack of appreciation of developing countries sensitivities in agriculture especially where the rural population is dependent on agriculture for their food and livelihood security;" the statementsaid.

India warned that these issues have to be suitably addressed in the next few days during the negotiations if there is to be a consensus on the agriculture framework "We shall be working with the G-20 on agriculture and jointly put forward our concerns in the discussions at Geneva," the statement added. In other areas of NAMA (Non Agricultural Market Access), Singapore issues, implementation issues and special and differential treatment (S&D), India is ready to work with other members of WTO in order to arrive at a consensus. The draft framework is a first text and underlines the explicit recognition that this would be only a basis for further negotiations in view of the fact that serious divergences in positions of the WTO member countries have emerged as reflected in the current status of the negotiations. Negotiations on the draft started in Geneva (WTO headquarters) on Monday and an amended version of the draft, which will be produced after incorporating the responses of WTO members, will be considered by the General Council of the WTO next week.

The WTO General Council put forward on July 16 a draft framework for negotiations in the WTO in various sectors for the consideration of members with a view to making progress on the Doha work programme, which was stalled after the Cancun ministerial meeting in September 2003 ended inconclusively. (*India Denounces WTO Draft For Negotiations, FE-B, 20.09.04, U 30*)

India aims to almost double its annual bilateral trade with Germany to \$10 billion by the next fiscal, Union Commerce & Industry Minister Kamal Nath said while addressing the Indo-German Chamber of Commerce and he stressed the need to tap latent potential in the small and medium enterprises of the two countries to boost bilateral trade, currently valued at \$5.5 billion. India currently exports merchandise worth \$2.5 billion to Germany, while imports stand at \$3 billion a year. If this is combined with German investment, I see tremendous scope for cooperation in infrastructure, roads, ports and energy. It provides a win-win situation. The very investment increases trade and the result of that investment also increases trade. Germany had emerged the sixth largest foreign investor for India with annual approvals worth \$2.5 billion and actual inflow of investments of over \$1 billion, he observed noting that in terms of foreign collaborations approved in India, Germany was second only to the US. (*India plans to enhance trade with Germany: With annual approvals worth over \$2.5 billion, Germany has emerged as sixth largest foreign investor for India, D.H.B, 30.9.04, U30*)

#### U 40 International Aid (Bilateral)

The World Bank is supporting the Bangalore Water Supply and Sewerage Board (BWSSB) with an Rs 100 crore loan for a project that would provide Cauvery waters to seven city municipal councils (CMC) and one town municipal council (TMC) around Bangalore city. This assistance to the water project is part of the Bank's recently sanctioned \$39.5 million loan to the Indian government and comes with a twenty-year maturity period and a five-year grace period. The project is expected to provide 100 mld (million liters per day) of water to 1.5 million people. Under the project, around 15 lakh connections would be provided to residents of CMCs and the TMC. This water project is expected to cost a total of RS 698 crore (with Rs 355 crore for water connections and Rs 343 crore for sewerage). Rs 78 crore would come from the state government while Rs 120 crore would from CMCs and TMC.

U 40 International Aid (Bilateral)



The Karnataka Urban Infrastructure and Development Finance Corporation would extend Rs. 45 crore towards the water supply project. World Bank's support includes technical assistance for Karnataka government's sector reform agenda and preparation of follow on investment projects as well as physical investments in the three urban local bodies to 'Improve' bulk water supplies.

Incidentally, the World Bank has also extended a. \$152 million loan to sponsor the second Karnataka rural water supply and sanitation, project to increase rural communities' access to sustainable drinking water and sanitation services. The other World Bank supported projects in Karnataka include: \$360 million loan to support Karnataka State Highways Improvement Project, aimed at upgrading the state's highway network; \$100 million credit for the Karnataka Watershed Development Project (aimed at improving the productive potential of selected watersheds) and the Karnataka tanks' community management project with a loan of \$99 million. According to the Bank's website, World Bank's baking in the water project would enhance the efficiency, management, and delivery of water supply and sanitation to Karnataka's urban residents. (*World Bank Support for Bangalore Water Supply, FE.B, 3.05.04, U 40*)

#### U 41 World Bank

The World Bank has agreed to provide a \$500-million credit line to India for its \$3-5 billion universal elementary education programme. Called the Sarva Siksha Abhiyan, the programme aims to achieve universal enrolment and completion of elementary education - for children between six and 14 years of age by 2010. It also aims to reduce by at least nine million by June 2007 the huge number of children who drop out of school, narrow the existing gender and social gaps, and enhance the quality of education for all students. The government is also expecting a \$300-million grant from Britain's Department for International Development, and

another \$200 from the European Commission. Ranjit Bannerji, joint secretary in the Ministry of Finance, and Michael Carter, country director of the development World Bank, signed the agreement. (*\$ 500 M World Bank loan for elementary education, FE.B, 4.6.04, U 41*)

With a kitty of about \$3 billion assistance for India over the 2005-08 period, the World Bank has sharpened its focus on helping to improve the quality of life for some of the world's poorest citizens and help India move closer to achieving the Millennium Development Goals. Drawing on the Prime Minister, Manmohan Singh's address to the nation, the World Bank Vice-President for the South Asian region, Praful Patel, told media here today that the Bank fully agreed with Dr. Singh's contention that equity and efficiency were not contradictory, that reforms meant both freeing private enterprise and improving government effectiveness and that social objectives and fiscal discipline were actually complementary. This finds reflection in the new Country Assistance Strategy (CAS) for India, which emphasizes on improving Government effectiveness, investing in people and empowering communities and promoting private sector-led growth. "All of these reflect India's own priorities and development goals," he said. We will use these inputs to refine the draft, which would then be finalized and discussed by the Bank's board of directors. (*World Bank sharpens attention on poor, TH.B, 26.6.04, U 41*)

The World Bank has increased its funding commitment to India by \$1 billion to \$3 billion for 2004-05 from the previous year's \$2 billion. The bank has short listed Maharashtra, Madhya Pradesh, Tamil Nadu, Karnataka and Assam for funding various projects in infrastructure power and road, agriculture and rural development, health and water supply. World Bank India director Michael Carter told that as per the World Bank's calendar year ended on June 30, its commitment to various states for the implementation of projects from physical and social infrastructure stood at \$1.5 billion.



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"For the calendar year July 1, 2004-June 30, 2005 the bank's commitment will be close to \$2.5 billion for India. He also said that the World Bank would finance agricultural project in Assam, which aimed at increasing productivity; similar project is being considered in Uttar Pradesh. He informed that National Agricultural Technology project was also being implemented across India and the bank would also provide assistance in the field of irrigation sector.

Mr. Carter hailed the United Progressive Alliance (UPA) government's Common Minimum Programme (CMP), which focuses on rural and agricultural development besides its resolve to continue the economic reforms with human face. "Overall the bank's assistance to rural development is focused on attacking poverty and increasing access to natural resources in an environmentally sound manner. This can only be achieved by engaging communities and the rural poor in the process, sharing knowledge, and conveying best practices at local level. According to the World Bank's CAS for India for 2004-08, major fiscal reforms at needed to reduce central state fiscal deficits, to reorient public spending towards public investment and non-wage operations and maintenance to improve the quality and efficiency of government spending, and to increase revenue mobilization simplifying tax structure, eliminating exemption, bring services into the tax net and implementing a Value Added Tax. (*World Bank Hikes India Funding, Sanjay Jog, FE.B, 8.7.04, U41*).

First, the good news India ranks among the top 5 reformers in the world for the year 2003. Now the bad India ranks 120th on ease of doing business out of a total of 145 countries surveyed by the Monitoring Analysis and Policy Unit. (MAPU) of World Bank Group. The 'Doing Business in 2005' report released on September 8 morning in Washington ranks China as the 42nd most attractive destination for business. The report analyses the laws and regulations that



enhance or constrain business investment, productivity and growth. The survey focuses on seven areas (the last two added this year): starting a business; hiring and firing workers; enforcing a contract; getting credit; closing business; registering property and protecting investors. India is the worst performer among South Asian countries- Bangladesh, Bhutan, Nepal, Pakistan and Sri Lanka - when it comes to time taken to start a business (89 days) and time and cost of registering property. India is second worst in dealing with insolvency and in enforcing contracts.

It takes 10 years to recover 12.5 cents to a \$ in case of a bankruptcy in India against 5 years and 25.8 cents for Nepal, 4 years and 23.2 cents in Bangladesh, 2.8 years and 38.1 cents in Pakistan and 2.2 years and 33.1 cents in Sri Lanka. On a more general level, the three key findings of the report are: businesses in poor countries face larger regulatory burdens than rich countries, payoffs from reform appear to be large, and heavy regulation and weak property rights deter women and young people from doing business. The 'Doing Business' report does not emphasize deregulation, it argues for regulatory simplification. "Good regulation does not mean zero regulation," it says. The report indicates it takes a business in a rich nation an average of 6 procedures, 8 per cent of per capita income and 27 days to get started. On the other hand, in South Asia the averages are 9 procedures, 45 percent of per capita income and 47 days. (*Ease Of Doing Business In India Still A Mirage: World Bank Report, FE.B, 9.9.04, U 41*)

The World Bank has approved a \$400-million package of assistance for the development of rural roads in India. The main objective of this project is to provide increased access to markets and social services by the rural population. The loan will support the Pradhan Mantri Gram Sadak Yojana (PMGSY) - aimed at providing road infrastructure to rural areas. This is the first assistance from the bank for the national programme on rural roads and further support is expected.

In addition to improved level of access to education and health facilities and increased investments in other infrastructure, the project will also bring opportunities and incentives for farmers to produce higher yields and diversify their crops. Substantial employment will be generated in both new construction and maintenance of roads. This project is consistent with the country strategy for India 'accelerating rural growth as a major engine for poverty reduction. (*Rural roads get \$ 400-m boost from World Bank, ET.B, 25.9.04, U 41*).

The World Bank has finally announced its mid-course correction in its funding policy on India. In short, the World Bank has decided to shift its focus from the reform-friendly states like Andhra Pradesh and Karnataka and decided to work with poverty-ridden Bihar, Jharkhand and Orissa. Moreover, it has plans to continue its focus on Uttar Pradesh. The proposed strategy was formulated after intense discussions with the government and ministries. It had also taken into account the suggestions made by different segments including media and private sector through a phased consultation process, according to a World Bank statement.

#### **The new strategic focus of the Bank includes**

- The Bank will ensure that all the 'largest and poorest' states are engaged in a dialogue on cross-cutting reforms;
- It plans to build productive development relationship with four states - Bihar, Jharkhand, Orissa and Uttar Pradesh - where poverty is increasingly concentrated;
- It will continue its support for achieving the objectives of Millennium Development Goals (MDGs) by providing state-level adjustment lending;
- The Bank plans to channel its lending to states on the basis of guidelines set out for the sector-specific conditions, which necessitated due to previous experiences.





The Bank's board of executive directors extensively discussed the Country Strategy for 2005-08 for India before releasing it for public. The Bank's strategic approach is to help the country to achieve its development goals and indicates the level of assistance that would be provided. (*World Bank Makes Mid-course correction In Funding policy, FE.B, 28.9.04, U 41*)

#### **U 42 International Monitoring Fund (IMF)**

This year marks the 60th anniversary of the founding of the International Monetary Fund and the World Bank. While this is as good an occasion as any for a rethink on how the two institutions have been functioning, there was no evidence of such a review at their annual Spring Meetings in Washington. If anything the signs were of the Bretton Woods institutions continuing to function on the direction of the Group of Seven advanced economies and not the 184 countries that are the shareholders. Once more, the search for a new Managing Director of the IMF has been taking place not in an open and transparent manner but according to a tradition decided upon by the United States and west Europe: the chief of the World Bank would be from the former and of the IMF from the latter. The numerous calls from the governments of developing countries, academics and independent experts to make the selection process more transparent have fallen on deaf ears, the IMF preaches good governance, transparency, and inclusiveness to the developing countries but is not following the same standards in the selection of its chief. Indeed, the U.S. concern with terrorism has thrust yet another responsibility on the IMF. The organization has been looking to augment lendable resources and has had to close one lending facility, yet a decision has been taken to entrust it with the job of tracking money laundering and the financing of terrorism. Both challenges are no doubt important but this is a job more for the U.N. than for the IMF. A frequent criticism the U.S. makes of the IMF is that the organization has diluted its mandate by taking on responsibilities far beyond its original charter

of ensuring an adequacy of international liquidity. However, this is precisely what the U.S. is now obliging the IMF to do. Developing countries have been less than enthusiastic about the new tasks handed over to the IMF but, as in other matters, their reservations have been overruled. (*Status quo at the IMF and World Bank, TH.B, 28.4.04, U 42/41*)

Sounding a note of caution for India's policy planners, a study by International Monetary Fund has advised against hasty privatization and liberalization saying a 7 per cent economic growth could still be achieved while avoiding the mistakes of Latin America. Hastily embarking on an overly ambitious agenda of economic liberalization and privatization should be avoided if India wishes to achieve seven per cent growth rate. The paper said that kneejerk reaction of many economists to move as quickly and broadly as possible in areas such as privatization, especially in infrastructure sectors, labour market reform and capital-account liberalization has to be tempered with serious empirical analysis and an appropriate concern for social and distributional impacts. However, it pointed out that reforms in India had grown out of the stage from being crisis-driven to success driven, which makes it more likely that they will be sustained and not subject to major reversals. Economic growth is best sustained by keeping the private sector excited about investing in the local economy. (*IMF Study Cautions India Against Hasty Reforms, FE.B, 31.7.04, U 42*).

#### **U 43 Asian Development Bank (ADB)**

"Tax the rural rich to help the rural poor" This is Asian Development Bank's mantra for the government to increase tax collection and widen the tax net. ADB also suggested that Fin Min should focus on debt restructuring to tackle the ballooning fiscal deficit. According to Dr Sudipto Mundle, ADB's chief economist for India and deputy country director, "There is no reason why the rich and moneyed farmers should be exempted from paying tax while small



traders are required to pay them." Meanwhile, ADB pointed out that the direct and indirect tax policy structures have already been simplified and rationalized with the aim of widening the tax base and promoting voluntary compliance. The ADB has pegged its total aid to India in the next four years at \$8 billion. (*Tax Rural Rich ADB, Mahua Venkatesh, FE.B, 2.7-04, U 43*)6

Asian Development Bank (ADB) assistance to the Railways will be coming in three phases. In the first two phases, the quantum of assistance would be \$600 million out of which a loan amount of \$313.6 million, which has been

approved. ADB will be offering the loan as financial assistance to overcome capacity bottlenecks, improve operational efficiency and support implementation of reforms to improve commercial orientation. Delineating social and commercial objectives and identification of public service obligations, tariff rationalization, rightsizing staff strength, restructuring production units, re-engineering internal business processes and customer interface and strengthening investment planning were the other areas of reforms. (*ADB offers aid to upgrade railways, FE.B, 10.8.04, U 43*)

## X CULTURE AND SOCIETY

### X 11 Social/Political System

The World Bank, in its report - India: Fiscal Decentralization to Rural Government - has said that the Panchayats should adopt 'hire and fire' policy to enable the local administration to deal with resource crunch so as to control their budgets better. "Local governments should have power to hire, fire and determine the compensation level for their employees," the report said, adding that without this power, the gram panchayats cannot control their budgets and handle the serious resource crunch.

The bank pointed out that though gram panchayats had the constitutional mandate to perform the role of local self-governments, "they do not have enough discretionary resources to do so in a meaningful way". The bank has also suggested that states should "avoid" devolving responsibilities to panchayats for scheme designed completely by a higher-level government. However, it has asked the states and higher level of governments to 'refrain' from unnecessary intervention in the gram panchayats matters except to monitor their performance in shared schemes the report further states that the gram panchayats should be allowed to spend public resources according to their priorities. (*World Bank for Hire & Fire Power to Local Govts, FE.B, 23.06.04, X11*)

The prospect of panchayats getting funds directly from the Centre is making states sit and pay heed to fixing the lacunae in their Panchayati Raj systems, efforts are on to complete their activity mapping fixing definite roles and responsibilities within the system. At a round table held in Mysore the second on decentralization the ministers and secretaries for rural development and Panchayati Raj from 23 states, besides union Panchayati Raj Minister, Mr. Mani Shankar Aiyar, states agreed to consider allowing Panchayats to lease common land to private parties to set up rural business hubs. (*Panchayats May be Allowed to Lease Land to Pvt. Parties, Chitra Phadnis, FE.B, 6.09.04, X11*)

The 73rd Amendment to the Constitution in 1992 mandated a three-tier structure of panchayats from the village to district in the whole country. Article 243G therein expects that state panchayats laws will endow panchayats with powers and authority to function as institutions of self-government. This Article further says that such law provides for devolutions of powers and responsibilities, first, for preparation of plans for economic development and social justice and, 'second, for implementation, of schemes for economic development and social justice that may be entrusted to them. Schedule XI gives an illustrative list of 29 matters for such devolution.



These exhortations would have produced quick results if the central and state governments were keen to have panchayats deliver services to the local population, except where, because of the nature and size of work, it has to be done at a higher level. But if we remind ourselves of the background to this Constitutional Amendment, we should not be surprised at their reluctance to make panchayats strong, autonomous and self-governing. Autonomy to plan and implement needs resources and authority. Immediately after the constitutional amendment, the Centre introduced the MPs' Fund of Rs. 1 crore each (now Rs. 2 crore). States have similar discretionary fund schemes for their ministers and MLAs and sometimes even for members of other elected bodies. These funds are no longer available for planning by panchayats or by any other planning bodies.

The panchayats receive two types of funds at present. First, the funds recommended by the Eleventh Finance Commission, released to them on the basis of their population. The state finance commissions recommended grants, as accepted by the state governments concerned, which may appear as large funds when seen as a total sum, but not too large with the number of gram panchayats (GPs) and the population of their rural areas. Some of the states and district administrations also find ways of earmarking these funds for priorities decided by them. The Constitution's clear mandate for efficient, transparent, responsible, accountable to local government requires that central and state funds

for basic social services and local infrastructure be transferred to panchayats, untied to any schemes. (*Downsize Ministries Dealing with panchayats, Panchayat functionaries are still vulnerable to the arbitrariness of officials scrutinizing their functioning, Nirmala Buch, FE.B, 22.09.04, X11*)

### **X12 Tribes and Development**

The Supreme Court put brakes on the Centre's orders regularizing encroachments in forests and giving land rights to tribals. If implemented, the orders issued by the Ministry of Environment and Forests, aimed at wooing the tribals, would threaten the forest cover in over two-lakh hectares land. (*Sc spoils centre's plan to woo tribals with forestland, IE.D, 24.02.04, X12*)

The Union Ministry of Tribal Affairs has clarified that it has yet to finalize the national policy on tribals and what has been put out on the website was only a draft to elicit the suggestions and views of NGOs and others working in the field of tribal welfare. A spokesperson said the Ministry was open to any constructive suggestion for modifications and in this regard had proposed to hold four regional level seminars. The Ministry, was highly sensitive to the problems of tribals and had taken up their cause with other Ministries. Steps had been taken with regard to the development of forest villages and conferring ownership of land and minor forest produce to tribals. (*Policy on tribals not yet finalized: ministry, DH.B, 28.09.04, X12*)

### **Tourism and tribal rights**

**Tourism has fetched some benefits to tribal areas, but its overall impact has been negative**

In Borra Panchayat of Visakhapatnam district, are among the world's largest. Dating back to the Paleolithic Age, the caves, spread over two square kilometers, have been sacred to the tribal people of the region ever since a shepherd chanced upon a stalagmite in the shape of a Siva 'linga' deep inside the caves several years ago. Now, with the Andhra Pradesh government promoting tourism in the area, the caves themselves have become a major livelihood issue for the tribal people.

In 2002, the government, in order to "beautify and maintain" the caves, cemented the floor, lit up the interiors with 74 halogen lamps that burn throughout the day, and stopped giving the tribal people their share of the fee collections as it wished to "pay back the money invested".



The entrance fee was raised to Rs.25, and a fee of Rs.10 was collected from tourist using a still camera and Rs. 100 for a video camera. The caves were also "rented out" for film shooting at Rs. 10,000 a day. Twenty tribal people were "appointed" as guides on a contract, which expires this year, by the

At the entrance to the Borra caves. Tourism Department on a monthly salary of Rs.3,000, that is, at the rate of Rs. 100 a day. As per the contract, the guides have to work from 9 a.m. to 9 p.m. and even a day's absence would entail a Rs. 100 cut from the salary. The tribal people had no choice but to accept this offer although it meant a substantial drop in their income.

According to Ravi Rebbapragada, executive director of the non-governmental organization Samata, the Tourism Department gets Rs.25 lakhs annually from entry fees. Had it continued the earlier arrangement of giving the guides 25 per cent of the entrance fee collected, they would have got an annual income of Rs.6.25 lakhs. Also, they would have been stakeholders and would not have felt alienated from the development of the area.

According to guide J. Pandu, during peak season (April to December) over 1,000 tourists visit the cave every day and some 150 during the lean season (January to March). Between mid-November and mid-December, during the Karthigaj festival season, the numbers touch 2,000 a day. According to guide RB. Ramachander, on some day's during the peak season the collection touches Rs. 1 lakh. Says guide P. Anand: "We have made representations to the Tourism Department about giving us a share in the earnings. Our Panchayat has decided to launch a struggle if they do not relent by the year-end, when our contract ends." Says Indore: "Nothing works without a struggle."

The income from tourism seems particularly important to the tribal people, as their income from farming has fallen owing to intense film shooting in the area. According to K. Venkat Rao, secretary of Tribal Education Rural Development Society (Terd), one of the 10 community based organizations under Samata, several popular films in Telugu and Tamil were shot in these locales. So much so that film shooting itself has become a major tourist attraction. In fact, the government did not want to dismantle the sets of the popular films hoping to attract tourists. The Tourism Department wanted to convert a 'botanical garden' on 250 acres into a permanent structure but representations and dharmas forced it to give up the idea.

According to T. Hari of Panasaputtu village, film shooting 'has spoilt our land'. In order to put up massive structures the topsoil, is heavily disturbed. This prevents seepage of water -and affects the water level. Disturbance of the topsoil leads to a substantial fall in productivity. According to G. Neelakandan of the village, this is a typical case where the local people are not only alienated from development but are a victim of it. The tribal people are alienated from land directly as well, with the government refusing them land pattas.

*Tourism has fetched some benefits to tribal areas, but its overall impacts has been negative,*  
*Frontline, Asha Krishnakumar, 24.9.04, K12*



To describe India as a country of amazing contrasts has become a bit of a cliché. Yet, the same nation that is admired for its diversity, plurality, tolerance and adherence to the highest norms of democracy is also a land of extreme poverty, deprivation and inequality, not to mention oppressive social structures. The latest Human Development Report (HDR) of the United Nations Development Programme released on July 15 is a case in point. The HDR has praised many aspects of Indian culture - the theme of the report is "cultural liberty in today's diverse world" - while simultaneously painting a pretty pathetic picture of the economic state of the nation.

### **The bad news first**

Since the HDR is 285 pages long, roughly half of which comprises detailed tables and charts, one would necessarily have to be selective about the information chosen to highlight the contrasts and contradictions that are evident in Indian society. Let us start with the bad news first. Over the last two reports, India's ranking among 177 countries in terms of its Human Development Index (HDI) has remained unchanged at 127. The criteria used to devise the index include life expectancy at birth, adult literacy, school enrolment and per capita gross domestic product. Even among 95 developing countries, India is ranked 48 in terms of its human and income poverty index.

A glance at a few randomly-chosen countries (with their HDI ranks) that have a superior human development ranking in comparison with India should serve as an eyeopener. Chile (43), Uruguay (46), Cuba (52), Mexico (53), Russia (57), Libya (58), Tonga (63), Albania (65), Brazil (72), Columbia (73), Thailand (76), Lebanon (80), Peru (85), Turkmenistan (86), Turkey (88), Tunisia (92), China (94), Sri Lanka (96), Ecuador (100), Iran (101), Occupied Palestinian Territories (102), Algeria (108), Indonesia (111), Vietnam (112); Mongolia (117), Nicaragua (118), South Africa (119), Egypt (120), Morocco (125) and Namibia (126). Many Indians

who would derogatorily look down on some of these countries should think twice, since the human development track record of all these nations is superior to that of ours.

### **Pace of human development**

At the same time, one is not for a moment arguing that there has been no progress made in India. It could be contended that the pace of progress has not been fast enough and few would disagree with the view that much remains to be done to accelerate the pace of human development in the country.

During the decade of the 1990s, the percentage of the Indian population that had "sustainable access to improved sanitation" improved significantly from 16 per cent in 1990 to 28 per cent in 2000, while the proportion of people with sustainable access to an improved water source went up from 68 per cent to 84 per cent, according to the HDR. The country's adult literacy rate rose from just under half in 1990, that is, 49.3 per cent to 61.3 per cent in 2002. Life expectancy at birth has gone up from 50.3 in the first half of the 1970s to around 64 per cent at present. The percentage of people in the country who were undernourished came down from roughly 25 per cent in the early-1990s to 21 per cent towards the end of the decade. However, the magnitude of the problem becomes evident when one considers the proportion of children below the age of five who are underweight; this figure is close to half, to be precise 47 per cent.

As far as the population below the poverty line is concerned, between 1990 and 2002, over one-third or nearly 33 per cent of Indians subsisted on less than one dollar a day while almost 80 per cent lived with income of less than \$2 per day.

If one looks at statistics of inequality, in 1999-2000, the share of the richest one-tenth of the country's population in total consumption was 27.4 per cent while the comparable proportion for the poorest 10 per cent of the population was under 4 per cent. Praise in a different context.



Yet, the UNDP's HDR for 2004 has, in a different context, lavished praise on India. The country "has managed its diverse cultures with pluralistic policies and 15 official languages - and made remarkable progress in economic growth and in health and education," the report states while debunking the myth that cultural diversity is an obstacle to development. The second page of the main report contains the following sentence: "Sectarian violence killed thousands of Muslims and drove thousands more from their homes in Gujarat and elsewhere in India, a champion of cultural accommodation".

Despite its long secular tradition, the country has experienced considerable communal violence with rising intensity the report points that more than one-third (36.2 per cent) of the casualties due to communal violence since 1954 took place between 1990 and 2002. While pointing out that India has been very cohesive despite its diversity, the report observes that "modern India is facing a grave challenge to its constitutional commitment to multiple and complementary identities with the rise of groups that seek to impose a singular Hindu identity on the country".

It states that these "threats undermine the sense of inclusion and violate the rights of minorities in India today" and adds that recent communal violence "raises serious concerns for the prospects for social harmony" that would "undermine the country's earlier achievements".

The HDR immediately hastens to point out that these "achievements have been considerable". The design of the Indian Constitution "recognized and responded to distinct group claims and enabled the polity to hold together despite enormous regional, linguistic and cultural diversity". The challenge lies in "reinvigorating" the country's "commitment to practices of pluralism, institutional accommodation and conflict resolution through democratic means", the report says. It points out

that India's performance "is particularly impressive when compared with that of other longstanding and wealthier democracies"

The report also mentions that India and Canada are two countries which have demonstrated that a proportional representation system in the polity "does not guarantee successful accommodation, and a winner-takes-all system can sometimes be compatible with multinational and multilingual federations".

Both countries use other measures - including affirmative action programme that include reservation of government jobs for those belonging to the Scheduled Castes, Scheduled Tribes and other backward classes - to ensure political representation to various groups.

What has been emphasized is the fact that India has one of the longest histories of any country in implementing affirmative action policies. Reservations currently cover nearly two-thirds of the India population. The OBCs, the largest and most heterogeneous group, have been able to greatly increase their representation in legislatures. "through normal processes of competitive politics". The report explains how reservations have changed the nature and composition of the Indian middle-class.

#### **A new political class**

The beneficiaries of reservation currently comprise a "new political class" that has the Congress party's monopoly on power. There is also an entire box in the HDR that deals with the ongoing debate over a Uniform Civil Code. It mentions that the "arguments on women's rights and principles of equality get entangled with concerns for minority rights and cultural recognition". (*Human Development Report- The Good news and bad news, Paranjoy Guha Thakurta, BL.B, 27.07.04, X22*)

#### **X22 a Right to Information**

People are losing confidence in obtaining information under the States Right to Information Act because of gaping holes in the law.



The Lok Ayukta's office has repeatedly requested the state to amend the law so that heads of government departments take timely decision on citizens' complaints against officials who fail to furnish or divulge correct information. However, the Act does not provide for any penalty or action against them if they fail to do so. This loophole has allowed the heads of departments to sit endlessly, on these complaints without deciding the appeals within the stipulated 60 days. "Citizens should not get the impression that the government is only paying; lip-service to accountability and transparency." Under the Act, if the public information officer of a department does not furnish details sought by a citizen on time, the complainant can file an appeal before the appellate authority. The second level of appeal is then the Lok Ayukta's office under the Act. So, when the appellate authority fails to decide the case on time, complainants then file their appeals before the final deciding authority, which happens to be the Lok -Ayukta. *(Right to information Act has loopholes, says Lok Ayukta, TOI.M, 28.03.04, X22a)*

### X 31 Status of Women (General)

The status of women in Goa is not all that rosy as painted by government machinery. Goan women though capable and talented lack opportunities by and large to unleash their potential. While work conditions for women are unfriendly, crimes against them have increased. On the other hand, government pays a lip service to recommendations made by Goa State Women's Commission and other NGOs in the interest of women. "If we really want to empower women, give them economic empowerment and freedom from ignorance and knowledge for decision making. Women generally suffer from lack of financial empowerment." Highlighting the importance of woman in shaping the mindset and attitude of the younger generation, it is a paradox that on one hand the woman is worshipped like a goddess in a temple, on the other hand the society refrains from bestowing the greatness

which is due to her. *(Women's status in Goa looks down, GT.G, 27.02.04, X31)*

### X 34 Women and Development

In December 1992, when Parliament passed the 73rd and 74th amendments to the Constitution, making the panchayats and municipalities "institutions of self government" and reserving not less than one-third seats for women in these bodies, it was hailed as the beginning of a silent revolution. In 1994, all Indian states passed the Conformity Act reshaping their Panchayati Raj (PR) system according to the new amendments. Today, out of 3,200,000 members elected every five years to panchayats and municipalities, more than 1 million are women. Women head one-third of all local bodies.

Of course, there are aspects of PR that we can be legitimately proud of. The last 10 years have seen a steady inclusion of marginalized sections in the decision making process from the village to the district level. About 3 million women are now contesting the elections to panchayats and municipalities; no mean achievement in a hierarchical and male-dominated society. The myth that only the kith and kin of known leaders or those connected to them in some way will enter the local bodies has also been proved wrong. The common complaint - it is the men folk in the families who control the elected women members may be partly true; but studies show that the situation is rapidly changing. The number of women getting elected from general constituencies (defeating men) is also increasing. For instance, in Karnataka, 43 per cent of those elected to local governments are women.

The challenge facing India today is: Can it turn the present phase of women becoming victims of oppressive structures into one of gender equity and create a public life of dignity for all? It is encouraging that enlightened citizens, NGOs and the media are taking the initiative to meet this challenge with some measure of success. *(Woman power- Silent Revolution in Local Self Government, George Mathew, TOI.B, 29.04.04, X34)*

Do not padate



### Z 10 NGOS

Such of those non-government organizations (NGOs) as are working for clean politics and good governance need to exercise vigilance in order to preserve their independence and faithfulness to the causes they espouse.

The caution is not as self-evident and simple as it seems. For the more effective and focussed a reformist NGO is, the more is it likely to ruffle entrenched vested interests that are affected or exposed by its activities. They may be anti-social mischief-makers, corporate bosses, and political highfliers, ruling establishments or any coterie or cabal with axes to grind. It is important for those running public-spirited NGOs to be conscious of these risks and be on guard against overt or covert attempts at softening them, by exploiting common human weaknesses. One such weakness is the desire to be one up on others. Another is the craving for invitations to participate in national or international seminars with all expenses paid. The third is to covet official recognition by being made part of some commission, committee, council or delegation. The fourth is to hanker after awards and honors conferred by governments, and national and international organizations.

It is best for NGOs devoted to raising the quality of public life to decline the membership of bodies functioning under the aegis of government or political parties, so as to ward off extraneous influences on their work. Once an NGO fighting for, say, electoral reforms, eradication of corruption, and accountability and rectitude of elected representatives, public servants and corporate executives, is itself lured into becoming "embedded" in the power structure, it loses all its credibility. (Look at the fall from grace of the US media once it allowed its correspondents to get "embedded" in military formations in Iraq. Apart from these traps, the domestic and foreign funding organizations themselves may seek to use the NGOs as cats' paws to promote their own agendas by directly or deviously prescribing particular priorities, approaches or courses of action. If it is remembered that some 21,000 NGOs have been permitted to receive foreign contributions amounting to an equivalent of more than Rs 5000 crore, the nature of the care and watchfulness required becomes obvious. Is it not time for a code of conduct for NGOs to be drawn up and adopted? (Code for NGOs, BL.B, 16.7.04, Z 10)





## **Annexure 1: Critique of EQUATIONS on Draft National Environment Policy 2004**

### **Foreword**

The initiative of the Ministry of Environment & Forests to come out with the National Environment Policy [NEP] is commendable. The concluding section [5.7: Review of the Policy] has made a provision for continuously evolving the NEP to address both national and international developments and corresponding environmental issues. This provides a space in future for all stakeholders to contribute to the evolution process.

The premise of environment is overarching and it has cross linkages with many other areas beyond industry/ commerce and local communities issues. Therefore, an environment policy is comprehensive when it takes into account existing policies on other directly related or indirectly related areas. This would be applicable to policies both at national & international levels. The NEP is very inward looking and watertight.

The NEP is development oriented and addresses environmental protection from the viewpoint of providing solutions in post mortem stage. The process for ensuring minimum impact on the environment from the preliminary stage is not clear from social, political, legal and economic angles. It is alarming that ecotourism is being proposed in areas where negative impacts and conflicts are being reported.

There is omission of crucial habitats that are bearing the brunt of unplanned and unregulated tourism development.

Our commitments to ongoing international conservation initiatives have been overlooked.

### **1. Preamble**

The NEP only states our role in international environmental initiatives and refers to national commitment to a clean environment.

Our commitment is also at the international level.

We were one of the first signatories to the Convention on Biological Diversity (CBD) in 1992 and ratified it in 1994. The outcome has been the formulation of the National Biodiversity Strategy & Action Plan (NBSAP), which the NEP has not taken into account, and found not even worth mentioning. Similarly it is disconnected from international environmental covenants like the Commission on Sustainable Development<sup>1</sup> (CSD), UN's Agenda 21 and Man & Biosphere Program. Enormous efforts and inputs from national and international civil society groups and agencies have been neglected. However, it is noteworthy that the Ramsar Convention on wetlands has been at least mentioned elsewhere.

The NEP looks at inward linkages from other environmental management policies as stated in sec 1 para 2. Although it mentions integration of environmental concerns in economic and social development [3.iv & 4.xi], it is limited to only to agencies charged with implementation of environmental policies. It does not give policy directives to agencies involved in developmental activities like the Ministry of Tourism and State Departments of Tourism.

The NEP has not mentioned its connections to other policies like the National Tourism Policy, Industrial Policy and Education Policy. It provides a backdoor entry to "international development partners" who are they and what role do they have in environmental protection is skeptical as international free trade and market regimes are demanding relaxation already inadequate and diluted environmental legislations. The free trade laws are also in contradiction to international environmental covenants. Like the Environmental (Protection) Act, 1986 it is not 'anti-investor' policy but is coming at a time when the World Trade Organization is demanding



The CSD is an instrument to review the commitment of member countries to the outcomes of the Earth Summit, Rio de Janeiro 1992. The World Summit on Sustainable Development, Johannesburg 2002 has provided guidelines for sustainable tourism development.

harmonization of *inter alia* environmental laws to facilitate free trade.

Participation of experts and stakeholders in formulating the NEP is questionable. Section 6.0 has been left blank. Transparency and participatory principles demand that all information is disclosed to the public and civil society at all stages.

## 2. Key Environmental Challenges: Causes and Impacts

The NEP has overlooked tourism as an impacting agent. Poverty is made the primary accused here and the wasteful expenditure of resources by affluent sections of the society, urban & semi-urban centers across the country, and resource intensive activities like tourism is amiss.

Discussions on tourism development in a country like India are to be seen in the context of what attracts tourism. The rich natural heritage and biodiversity hotspots spread out along coasts, backwaters, forests and mountain regions are major attractions on which tourism industry banks. Protected Areas (PAs), which hitherto had seen limited tourist activities, are targets of intensive tourism development. The industry vouches its ability to boost the economic potential of these natural resources, which were otherwise what the industry and tourism proponents describe as 'idle' resources and the economic potential had remained untapped.

At the same time, these are areas where rural populations survive on the life supporting resources. While discussing tourism development, the conflicts with biodiversity conservation, natural resources and wildlife, and the communities who survive on these resources arises in this context. Tourism is

notorious for its opulence and wasteful use of resources, be it direct consumption of water, land and other natural resources, or indirect consumption like that of wildlife. The conflict here is between the uses of resources related to survival versus the lavish use of resources by tourism industry. The industry is capable enough to bypass laws while the community does not possess the sophisticated skills in bargaining even for their basic rights. "Favouritism" of policy makers and the government machinery towards tourism is also evident. Also, the conflict that arises out of modifications and amendments of such laws to suit the needs of tourism would jeopardize conservation efforts, rational use of resources and survival of many of local communities and endangered biodiversity.

Absence of regulatory frameworks for tourism development in PAs/ non-PAs and any other healthy, fragile, vulnerable or sensitive ecosystems is evidently overlooked as one of the causes and impacts.

## 3. Objectives

Environmental governance: how is this going to be achieved is not clear in the Policy. The main components of governance are its various stakeholders. The nuances of understanding stakeholders is absent and all have been categorized as public agencies, local communities, investors and voluntary organizations.

## 4. Principles

Under sub-section ii. Right to Development, the decision for agreeing to go in for developmental activities needs to be elaborated upon.

With whom does this decision rest is a crucial question not answered by the NEP. Many times tourism plans are created at the state level or central level and imposed on local communities. The commercialization of environmental services in v. Economic Efficiency would open up a host of problems, as these are vulnerable to manipulations and distortions.



Assigning a economic value to wildlife for instance, as has been done in the case of indigenous cultural aspects, would mean neglecting their roles in the intangible benefits that they provide and objectifying them for more tourism purposes.

The decision rests with local community institutions and they can decide if they do not want to adopt other developmental activities. If yes, the kind and intensity of development is also decided by them. Such democratic principles have not found place in the NEP.

### 5. Strategies and Actions

Under 5.1.1. Revisiting Legislative Framework, there is a possibility of further dilution of the CRZ and EIA Notifications under EPA, which would open up areas for intense tourism development.

The proposal for institutionalizing regional and cumulative EIAs under 5.1.3.i. needs to be assessed after clearing existing flaws with the method in which EIAs are done and public hearings conducted. Extrapolating it to the next level would mean side-stepping the current issues.

Under 5.2 Enhancing and Conserving Environmental Resources

Deserts have been excluded.

5.2.2 Forest and wildlife areas are being targeted for promotion of ecotourism.

The term 'ecotourism' was coined by a marketing agency that was promoting Costa Rica as a rainforest destination and since then it has been seen as a niche market by agencies like the World Tourism Organisation, as it uses resources that are linked to biodiversity and cultural pluralism of third world countries, which have been forced into tourism as a core competency area by inter-governmental agencies for development. Ecotourism has come to be mistaken synonymously with tourism in

protected areas and/or areas of significant ecological values like wildlife; though the kind of tourism being promoted and practiced is very much mainstream tourism; only the locations have become much more fragile than the cultural and resort-tourism destinations that had been developed in previous decades. Although ecotourism has a reference from the economics of the tourism industry as a form of nature-based tourism, it has been formulated and studied as an instrument for sustainable and equitable tourism by various individuals and organizations. These studies have shown that the impacts are far from conservationist or sustainable; indigenous communities still face evictions from within the wildlife sanctuaries and national parks; forest-produce gatherers and pastoralists continue to be kept out, sometimes leading to conflicts with the Forest Departments. In such a scenario, the introduction of tourism in the same protected areas is, in a way, doing injustice to the whole conservation debate. Hence, the connotation to ecotourism is both conceptual and socio-economic.

When experiencing nature is redefined as tourism - an industry that is recognised as capital intensive, it also raises serious concerns in the absence of precautionary legal guidelines and principles. Under such circumstances the practice of tourism can only be termed as mass tourism. The recent tendency to qualify tourism in ecologically sensitive regions, like the forests and the coast, as 'ecotourism' or 'nature tourism' is too vague a terminology as it is applied for the convenience of tourism service providers. The very reason why tourism industry opted for this terminology was because wherever tourism is practiced it proved disastrous to the environment, social fabric and promoted dehumanising situations like displacement, marginalisation of local communities, siphoning of natural resources and violation of basic human rights.



tourism providers today define ecotourism to their convenience and advantage. A solar heating system, water recycling unit or use of paper bags is good enough for a hotelier to lay claim to the ecotourism label. However they would evade putting into practice certain broadly evolved and accepted norms of sustainable tourism. This contradiction would continue as long as governments see tourism as a means to economic development and thereby necessarily ignoring its impacts. Sustainable tourism is based on principles of participation; consultation and sharing of benefits among all stakeholders especially the local community on whose resources ecotourism thrives.

5.2.6 Islands A&N and Lakshadweep have been made to miss the bus. These islands are being targeted for large scale tourism development, thus throwing them in peril.

5.2.7. (iii) a) mentions use of incinerators for toxic and hazardous wastes. It has failed to take into account the carcinogenic effects of incinerator emissions.

5.2.7. (iii) c) refers the onus of solid waste management to local bodies. What about industries and agencies facilitating large scale infiltration of the wastes? Progressive measures like Extended Producer Responsibility (EPR) to tackle the menace of plastics and other packaging wastes, especially in tourism destinations like Mahabalipuram where the problem is of gigantic proportions, find no mention. And so do initiatives like Ooty Municipal Corporation to impose fines on plastic carry-bag users.

Biosphere Reserves have not found mention in any part of the NEP. This shows a careless attitude to our international environmental commitments. Further, areas like the Gulf of Mannar Marine Biosphere Reserve, which are unique in the country.

### Recommendations:

Crucial habitats that are being targeted for tourism development need to find mention in the NEP.

The NEP needs to draw policy guidelines from international environmental covenants for infusing sustainability and involvement of local communities in tourism development. The Biodiversity and Tourism sub-chapter of the CBD, the CSD & WSSD 's guidelines, UN's Agenda 21, Draft Declaration on Rights of Indigenous Peoples and WTO-OMT 's Global Code of Ethics for Tourism.

<sup>2</sup>Endnotes for Framework of values for sustainable tourism development

#### The CBD recognizes the need to ensure that tourism is developed and managed in a manner that is consistent with, and supportive of, the objectives of the Convention on Biological Diversity with regard to the conservation of biological diversity and the sustainable use of its components, as well the basic concepts underlying the implementation of the Convention, such as the ecosystem approach and the sustainable use of biological resources, as well as guidelines concerning the respect, preservation and maintenance of knowledge, innovations and practices of indigenous and local communities for their well-being and survival.

The CBD affirms the need for benefits of tourism to be shared in a fair and equitable manner with indigenous and local communities involved in, or affected by, tourism development, and which therefore share in the costs of such development.

#### The UN's Agenda 21

The relevant chapters of the Agenda 21 that describe the Participatory Approach are Chapter 26 that deals with recognizing and strengthening the role of indigenous people and their communities and Chapter 34 outlines the procedural steps for transfer of environmentally sound technology, cooperation and capacity-building.

The Chapter 3 of the Agenda 21 - combating poverty: enabling the poor to achieve sustainable livelihoods expresses the importance of benefit sharing with local communities.

#### The UN's Commission on Sustainable Development's (CSD) sustainable tourism guidelines

In 5(a), it states "To promote sustainable tourism development in order to increase the benefits from the tourism resources for the population in the host communities and maintain the cultural and environmental integrity of the host community; to encourage cooperation of major groups at all levels with a view to facilitating Local Agenda 21 initiatives and promoting linkages within the local economy in order that benefits may be more widely shared; to this end, greater efforts should be undertaken for the employment of the local workforce, and the use of local products and skills."

And in "10. The Commission invites the United Nations Secretariat and the World Tourism Organization, in consultation with major groups and other relevant international organizations, to jointly facilitate the establishment of an ad hoc informal open-ended working group on tourism to assess financial leakages and determine how to maximize benefits for indigenous and local communities; and to prepare a joint initiative to improve information availability and capacity-building for participation, and address other matters relevant to the implementation of the international work programme on sustainable tourism development."

## **The UN-CSD's World Summit on Sustainable Development (WSSD) - Final Plan of Implementation**

The Plan of Implementation included in the WSSD Final Report, agreed by Heads of State at Johannesburg during September 2002, includes the following paragraph (No.43) concerning Tourism:

Promote sustainable tourism development, including non-consumptive and eco-tourism, taking into account the spirit of the International Year of Ecotourism 2002, the United Nations Year for Cultural Heritage in 2002, the World Ecotourism Summit 2002 and its Quebec Declaration, and the Global Code of Ethics for Tourism as adopted by the World Tourism Organization in order to increase the benefits from tourism resources for the population in host communities while maintaining the cultural and environmental integrity of the host communities and enhancing the protection of ecologically sensitive areas and natural heritages. Promote sustainable tourism development and capacity building in order to contribute to the strengthening of rural and local communities. This would include actions at all levels to:

Enhance international cooperation, foreign direct investment and partnerships with both private and public sectors, at all levels;

Develop programmes, including education and training programmes, that encourage people to participate in eco-tourism, enable indigenous and local communities to develop and benefit from eco-tourism, and enhance stakeholder cooperation in tourism development and heritage preservation, in order to improve the protection of the environment, natural resources and cultural heritage;

Provide technical assistance to developing countries and countries with economies in transition to support sustainable tourism business development and investment and tourism awareness programmes, to improve domestic tourism, and to stimulate entrepreneurial development;

Assist host communities in managing visits to their tourism attractions for their maximum benefit, while ensuring the least negative impacts on and risks for their traditions, culture and environment, with the support of the World Tourism Organization and other relevant organizations; Promote the diversification of economic activities, including through the facilitation of access to markets and commercial information, and participation of emerging local enterprises, especially small and medium-sized enterprises.

44. (b) Promote the ongoing work under the Convention on Biological Diversity on the sustainable use of biological diversity.

At the national level, the NEP needs incorporate recommendations of the sub-thematic paper on Biodiversity and Tourism from the NBSAP.

The NEP needs to give sector specific guidelines for regulation and development of activities like tourism instead of opting for sub-components like ecotourism as the panacea for negatively impacting factors.

including on tourism, as a cross-cutting issue in different ecosystems, sectors and thematic areas.

The sustainable tourism guidelines in the World Summit on Sustainable Development in its Final Plan of Implementation (point 43) states to promote sustainable tourism development and capacity building in order to contribute to the strengthening of rural and local communities. In the Final Plan of Implementation, the sustainable tourism guidelines in World Summit on Sustainable Development, it outlines the need to (point 43) Promote sustainable tourism development, including non-

consumptive and eco-tourism, taking into account the spirit of the International Year of Eco-tourism 2002, the United Nations Year for Cultural Heritage in 2002, the World Eco-tourism Summit 2002 and its Quebec Declaration, and the Global Code of Ethics for Tourism as adopted by the World Tourism Organization in order to increase the benefits from tourism resources for the population in host communities while maintaining the cultural and environmental integrity of the host communities and enhancing the protection of ecologically sensitive areas and natural heritages. *The UN's Draft Declaration on Rights of Indigenous Peoples*

The UN's Declaration on the Rights of Indigenous Peoples in Part V sets out the rights of indigenous peoples to participate in decisions and developments which affect them. Indigenous peoples must participate in, and give their consent to, decisions and law making that affect them. They have the right to their own economic activities and to special measures to improve their economic and social conditions. Part VI sets out the rights of indigenous peoples to their land. They have the right to maintain their distinctive spiritual relationship with their land, waters and resources. They have the right to own and develop their land, waters and resources, and to the return of land taken without their consent. Their environment and their cultural and intellectual property must be protected. Indigenous peoples have the right to control development of their land.

The Preamble of the Global Code of Ethics in Tourism considers that, with an approach to sustainable tourism, all the stakeholders in tourism development - national, regional and local administrations, enterprises, business associations, workers in the sector, non-governmental organizations and bodies of all kinds belonging to the tourism industry, as well as host communities, the media and the tourists themselves, have different albeit interdependent responsibilities in the individual and societal development of tourism and that the formulation of their individual rights and duties will contribute to meeting this aim.

Article 3 dealing with Tourism as a factor of sustainable development states (in point 2) All forms of tourism development that are conducive to saving rare and precious resources, in particular water and energy, as well as avoiding so far as possible waste production, should be given priority and encouraged by national, regional and local public authorities.

The Global Code of Ethics in Tourism, Article 5: Tourism, a beneficial activity for host countries and communities states that: 1. Local populations should be associated with tourism activities and share equitably in the economic, social and cultural benefits they generate, and particularly in the creation of direct and indirect jobs resulting from them.

Recommendations for any form of tourism development should be on the basis of careful evaluation and participation.

The NEP needs give guidelines for tourism development in areas under protection of law and other regions not protected by law - healthy, fragile, vulnerable or sensitive ecosystems, as in the case of the Wild Life (Protection) Act, 1972's provision in section 28(i) d. that generally permits tourism in protected areas.

The NEP needs to be outward looking and should address and link to existing social and economic policies of India.



## **Annexure 2: Critique of EQUATIONS on Draft National Tribal Policy 200482**

### **Foreword**

1. A Draft National Policy for tribals is indeed overdue. But it would be a huge mistake if the Central Government seeks to "assimilate" and "mainstream" ST communities. This is a clear contradiction: you cannot assimilate groups (in this case a larger group is seeking to "bring STs into the mainstream" without destroying their distinct culture.

2. The reason is simple: there are huge differences between tribal groups within a region as much as in different regions, not merely in their demeanour and attitudes but also in their culture, traditions and religion.

3. The tribes of Central and Western India are completely different from tribal communities in the North East, where there is better education and other facilities and indeed, where tribal political elites have been in power for nearly 50 years as in the case of the Khasi, Jaintia and Garo Hills, which became Meghalaya in 1972. One could remark that the so-called primitiveness of the tribes is more in the Fifth Schedule states where education, political awareness and empowerment as well as health facilities are extremely poor and income levels at the bottom. The "mainstreaming" of these groups, where their lands have been taken over by plains settlers and others, has not really helped them very much. Indeed, it has devastated their culture, their environment and their social standing as well as economic status. There have become politically influential in real terms only in the past few years with the formation of states such as Chhattisgarh and Jharkhand. Others have benefited at their expense.

4. Thus, a national policy for tribal can make general observations for the main, which would include "feel good factors" such as better education, non-interference in their essential lifestyles, improved health facilities and infrastructure without rpt without destroying the ecosystems upon which they depend.

However, it should develop specific Policy framework for those of the Sixth Schedule and the Fifth Schedule. At the moment, the Draft Policy is confusing and unclear in its basic approach for it lumps all these groups together. As a start therefore, the National Policy must divide the "tribal groups" into the Fifth and Sixth Schedule communities and make specific recommendations for each group. The work of the National Commission to Review the Working of the Constitution (Consultation Paper on Empowering and Strengthening of Panchayat Raj Institutions/Autonomous District Councils/Traditional tribal governing institutions in North East India) would be helpful in this exercise.

Overall, the Draft Paper should avoid nomenclature which is clichéd and which "tribal" groups would find offensive and which are also not politically correct. Phrases and words such as "mainstream", "primitive" and others of a similar lexicon should be abjured because they give the impression that government regards such groups as outside the pale of civilized society. It raises questions about the so-called "mainstream" of other parts of India. What is this "mainstream" what language does it speak, what faith does it espouse, what history does it hold, what is its politics. To regard groups as "outside the mainstream" is, in my view, quite incorrect. Those who see themselves in the supposed "mainstream" may regard themselves as "better" than others: this is a wrong approach, which should be rejected forthwith.

It should be noted that many "tribal" are as "advanced and developed" as the so-called "mainstream"; they find such definitions offensive as also descriptions of them as PTG (Primitive Tribal Groups this is how others see them and not as they see themselves).

One is not aware where the phrase Nehruvian Panscheel evolved. (Page one of Draft) The two



forewords by Pandit Nehru to Verrier Elwin's book, *A Philosophy for NEFA* (Directorate of Research, Government of Arunachal Pradesh) of 1957 and 1958 clarify that he believed in "five fundamental principles". Points two and three are quite specific while the others are not: 2. Tribals rights in land and forests should be respected (Fifth and Sixth Schedule) and 3. In Nehru's words not of the Draft Policy) "We should try to train and build up a team of their own people to do the work of administration and development. Some technical personnel from outside, will, no doubt, be needed, especially in the beginning. But we should avoid introducing too many outsiders into tribal territory." The fact is that in most of the Northeastern states such as Meghalaya, Manipur, Mizoram and Arunachal Pradesh where tribals are a majority, it is the tribal officers and specialists who are running the administration. The number of "outsiders" is a bare handful.

#### **specific comments:**

##### **Formal Education:**

The data relating to formal education is not correct as far as the North East is concerned where states such as Mizoram has the second highest literacy in the country, after Kerala. A survey of the statistics of the North Eastern Council would be relevant here. What the Draft Policy has done and inappropriately is lumped all the information on education etc. together for all tribals. This is not a scientific approach to the problem. The draft policy must make it clear where the anomalies in backwardness lie in the Fifth Schedule areas in particular. The Northeastern tribal states are above the national average except in a few areas. The overall rate is brought down by the CHJH states (Chhattisgarh and Jharkhand as well as Gujarat)

The program of schools and hostels to be opened in areas where no facilities exist (see Formal education section) is laudable what will Government do in insurgency prone areas and disturbed areas where instability affects all sectors of activity.

Where will the funds come for mid-day meals Centre of States when the latter are heavily indebted and raise no resources of their own (90 percent grant and 10 percent local resources) and they cannot even pay their employees on time Sixth point on teachers from distant places: the policy must take cognizance of a reality that many teachers drawn their salaries without teaching and open put in replacements who get a percentage of the salary paid to the "main" teacher.

Instead of Pedagogy, the Policy should speak of Education. There is no need for such Latin words when a simple English equivalent exists. Point seven and eight on curriculum and co-curriculum should be combined while last point on vocational education should include processed foods, floriculture, bamboo and cane processing/development, headings under these last five heads not only have potential but also are doing well.

##### **Traditional Wisdom**

It must be clarified that there will be no transfer of knowledge to non-tribal areas without ensuring that the repository of such knowledge and skills, especially in herbal medicines, is protected by law, the patent convention and they get a return on their knowledge. Otherwise this should not be permitted. There have been cases of foreign as well as Indian corporates (includes those associated with people in Government) seeking to extract such information from hill herbal practioners for a price. This should be stopped. Therefore Point Three of Heath section on patents should be placed here and emphasized.

##### **Health:**

AIDS is not a venereal disease as the 6<sup>th</sup> line of the first paragraph in this segment suggests. The phrase Primitive Tribal Groups must be exorcised from and banned from government lexicon. It is offensive and insulting. Surely



there can be other phrases to describe such groups: such as Economically Backward or Disadvantaged Groups among Tribes. The British coined such phrases as 'criminal tribes', which has devastated the image and condition of such groups; it is time, 57 years after independence that we did away with such phrases.

It is inappropriate to combine such vastly different sciences as ayurveda and siddha with tribal herbal systems. Let the latter remain as is, but with improved facilities such as OPDs, research, places for growing their medicinal plants and making their potions etc. as well as herbal centres in each district where they can practice. At the moment, they are completely disadvantaged esp. on the NER where they reach communities untouched by government systems but get a pittance for their work and have no place, barring their poor homes, from where they can see patients and practice. It would be far better for government to support these systems by strengthening and recognizing the practitioners, not weakening them, which would happen in the proposed synthesis as the other forms of medicine are far better organized, with stronger lobbies and funds at their disposal.

The point about tribal remedies is changed to herbal practitioners. This should not include shamism, which is prevalent in various parts such as Arunachal Pradesh and has no basis in science.

#### **Displacement and Resettlement:**

The issue of displacement must be reviewed in the context of the Sixth Schedule from the NER. The Sixth Schedule gives extremely wide-ranging rights to tribal communities under the District Council system. The fourth paragraph of the Draft Policy talks about when it becomes "absolutely necessary" ... "in the larger interest" this is too sweeping a statement. Who decides what is in the "larger interest": a few politicians and bureaucrats. This must be specified without

any obfuscation and must involve the people who are directly affected so that they have a say in their own future, instead of letting their lives be controlled by others who have little stake in how they live or indeed where they live.

How are the displaced to be provided "a better standard of living" (Para four). This should be clarified.

#### **Forest Villages**

The proposal to convert forest villages into revenue villages appears well-intentioned but likely to lead to more problems. These are the issues that should be discussed with local leaders and representatives of affected communities.

At no point during this section of the Draft Policy, does the policy say anything about improving forest cover, improving forest-based ecosystems etc. The emphasis is on building roads (which is a clear sign for felling and official nexus with contractors) and legitimizing the illegal. What should be developed is a compromise, which takes care of local concerns and also the regeneration of forests, not their destruction.

Also it is unclear what is meant by "integrated area development programs should be taken up in and around forest areas". New settlers have encroached heavily into a National Park such as Kaziranga and the Nambhor Reserve Forest in Assam, destroying habitat for wildlife and the natural balance. Why is the Draft Policy silent on these issues? It must make clear that such violations will not be tolerated and that government will back resourceful officers who fight such depredations.

#### **Shifting Cultivation:**

Again a broad-brush sweep paints all tribals at the same level of development and agricultural production. There may be some groups, which are not committed to the land, but as the paper





itself says most tribals only have land as their only possession and despite the complex pattern of land tenure, this is what they see, naturally, as their birthright.

So, if there is anything to be done, it is along the lines of modified land tenure acts which will allow investment and a return on the lands for the owners as well as moving farmers to settled agriculture. Much research has already been conducted in this field.

### **Land Alienation:**

Anti-alienation laws already exist and must be tightened to plug loopholes, which allow non-tribals to hold lands as non-owning "sleeping partners". But lands belonging to non-tribals, which are hereditary, must also be protected. You cannot have laws, which favour groups, which are already a majority (tribals in Meghalaya and Mizoram for example) to the detriment on non-tribals, who also have been there for decades. All land records and holdings must be computerized and be accessible through the Internet to the public. The Freedom of Information Act guarantees this and is a basic right of every citizen.

The traditional systems of governance such as the dorbars, Dolois, Nokmas in Meghalaya and village gaoburas in Arunachal and Nagaland apart from similar systems among the Nagas (different tribes have different systems) and other groups should become the third tier of governance in tribal areas. Women and non-tribals should also be accommodated, the latter where their populations are substantial. This is applicable here and in this section under the heading Scheduled Tribes and Scheduled Areas.

### **Intellectual Property Rights:**

The Draft appears unaware of the ongoing work of the Law Research Institute under the auspices of the Guwahati High Court, Guwahati, which is working on codification of tribal laws.

## **ALL REFERENCES TO PRIMITIVE TRIBAL GROUPS SHOULD BE DELETED AND BANNED.**

### **Scheduled Tribes and Scheduled Areas:**

A fourth point should be added: Traditional forms of democratic governance among the tribes, especially after involving women and ensuring representation to other ethnic groups, should be involved and strengthened as the third-tier of governance. (see recommendations of NCRWC, Consultation Paper on the North East).

Administration of the Policy should clearly say that recognized and respected non-government groups should also be involved in policy formulation and review of implementation of the objectives.

### **Participatory Approach:**

Last paragraph must be changed to involve recognized NGOs and VAs in all aspects of policy formulation, prioritization of strategies, fixing of goals and monitoring/review mechanisms across state and sectors to ensure transparency and proper implementation of policies and projects.

The segment on Assimilation to be dropped and replaced with a more visionary approach, deleting such offensive language as "primitive traits" and including wording that speaks of the need to preserve and protect forest habitat and ecosystems on which many of their traditions are rooted.

Indeed, the "primitive traits" may be more visible in the so-called "mainstream."



### **Annexure 3: President A P J Abdul Kalam's Vision of Developed India**

President A P J Abdul Kalam detailed his, while delivering the inaugural address at the 23rd India International Trade Fair in New Delhi.

**Friends,**

I am delighted to participate in the inauguration of 23rd edition of India International Trade Fair (IITF) 2003.

The Fair provides a platform for a wide range of business opportunities by showcasing technological strength in different sectors of the economy.

I greet the organisers, contributors and participants from various nations of this mega event, which is becoming a reliable barometer of industrial progress.

The theme of the Fair this year is 'Tourism' and 'Promoting Exports by Small and Medium Enterprises.'

When I see the industrialists, entrepreneurs and connected members from different countries, I was thinking what thoughts I can share with you.

I see there are industries from developed countries and also from developing countries. Therefore, I will be talking to you about the 'Dynamics of Development.'

#### **Law of development**

Last two years, I was studying the development patterns and the dynamics of connectivity between nations, especially in trade and business.

As you all know the world has few developed countries and many developing countries. What is the dynamics between them and what connects them?

A developed country have to market its products in a competitive way to different countries to remain a developed country.

### **ALL REFERENCES TO PRIMITIVE TRIBAL GROUPS SHOULD BE DELETED AND BANNED**

#### **Scheduled Tribes and Scheduled Areas:**

A fourth point should be added: Traditional forms of democratic governance among the tribes, especially after involving women and ensuring representation to other ethnic groups, should be involved and strengthened as the third-tier of governance. (see recommendations of NCRWC, Consultation Paper on the North East).

Administration of the Policy should clearly say that recognized and respected non-government groups should also be involved in policy formulation and review of implementation of the objectives.

The developing country, to get transformed into developed country, they too have to market their products to other countries in a competitive way.

Competitiveness has three dimensions:

- Quality of the product;
- Cost-effectiveness; and
- Supply in time.



indeed this dynamics of competitiveness in marketing of products by developing and developed countries is called the law of development.

### Our technological strength

- India is today a developing country and we have a vision to transform India into a developed nation by 2020, using technology as a tool.
- With the growing economy and strong internal market, India is destined to make competitive products using technological innovations.
- Software and Pharma products have shown the lead.
- I see the emergence of steel technology, space technology and defence systems going to the international markets in addition to conventional products.
- The initiatives taken in solar farming to generate energy, desalination plants to generate drinking water will soon be mission mode programmes offering a large business in India and outside.
- I would like to discuss the areas which require attention for transforming India into a developed country.
- Transforming the nation into a developed country, five areas in combination have been identified based on India's core competence, natural resources and talented manpower for integrated action to double the growth rate of GDP and realize the Vision of Developed India.

### These are:

- Agriculture and food processing- with a target of doubling the present production of food and agricultural products by 2020.
- Agro food processing industry would lead to the prosperity of rural people, food security and speed up the economic growth;
- Infrastructure with reliable and quality electric power including solar farming for all parts of the country, providing urban amenities in rural areas and interlinking of rivers;

- Education and Healthcare: To provide social security and eradication of illiteracy and health for all;
- Information and Communication Technology: This is one of our core competencies and wealth generator. ICT can be used for tele-education, tele-medicine and e-governance to promote education in remote areas, healthcare and also transparency in the administration; and Critical technologies and strategic industries witnessed the growth in nuclear technology, space technology and defence technology.

These five areas are closely inter-related. Since the theme of the IITF this year is 'Tourism' and 'Small and medium scale industries,' which can be derived from the above areas, I would like to dwell on the role, these sectors can reinforce the national development in particular the rural development.

### Tourism

- The vast civilization heritage of our country -- ranging from the Himalayas to Kanyakumari, Jammu & Kashmir, central India, North-Eastern states, Bihar, western States, the large coastal line, Andaman, Nicobar and Lakshadweep islands -- have a lot to attract the tourists.
- In spite of this vast potential, Indian tourism appears to have a very small market share of 0.38 per cent with total arrivals of 2.64 million in the overall global scenario.
- This can certainly be increased keeping in mind India's unique positioning as a multi-dimensional country with many tourist attractions.
- After my visit to almost all the regions of the country, I have realised that the tourism industry has a tremendous prospect for wealth generation and should operate as a mission with higher targets.



- To succeed in this mission tourism has to be developed and promoted as a common endeavour by all concerned government as well as private sector agencies.
- A constructive partnership between the private and public sectors has to be established and sustained for growth.
- We need to establish innovative products and world-class infrastructure. Thrust is required to be given for inland water navigation, hotels, communication, entertainment and tourist promotion.

The private sector and the state and central government agencies have to work together to create the right environment and act as proactive facilitators and catalysts to promote sustainable tourism.

- Tourist management leaders should be trained to create a people friendly approach among the tourists so that he/she becomes a promoter of business through word of mouth and experience sharing.
- The places of tourist interest have to be maintained and kept neat and tidy to provide a harmonious atmosphere to the tourists. The people of the region have to have moral strength to welcome the tourist with happiness.
- We have to start a 'Welcome Tourist' movement. The Indian-ness has to be packaged from the time the tourist enters into the country till he departs in all aspects of his life during the stay.

#### **Small- and medium-scale industries / enterprises**

- The small-scale industries sector plays a vital role in the growth of the country. It contributes almost 40 per cent of the gross industrial value added in the Indian economy.
- It has been estimated that the turn over to capital employed is approximately 4.62. The small-scale sector has grown rapidly over the years.

- The number of small-scale units has increased from an estimated 0.87 million units in the year 1980-81 to over 3 million in the year 2000.
- The small-scale industry sector in India creates largest employment opportunities for the Indian populace, next only to agriculture.
- The SSI sector plays a major role in India's present export performance. About 45 per cent to 50 per cent of the Indian exports are contributed by the SSI sector.
- Direct exports from the SSI sector account for nearly 35 per cent of the total exports.
- Besides direct exports, it is estimated that small-scale industrial units
  - contribute around 15 per cent to exports indirectly. This takes place through merchant exporters, trading houses and export houses.
  - It would surprise many to know that non-traditional products account for more than 95 per cent of the SSI exports.
  - The product groups where the SSI sector dominates in exports are sports goods, readymade garments, woolen garments and knitwear, plastic products, processed food and leather products.
  - The strategy for enhancing the exports of goods and services from SSI sector has to be based technology upgradation, value addition techniques, credit support and export marketing zones.
  - Big industries should ensure timely payments for the products they receive from small scale industries.
  - Also IITF should find from the international traders where Indian SSIs can fare better in global competition in areas of, quality, quantity and schedule.
  - This promotion will enable the SSI industry to grow much faster towards its target of Rs 5 lakh crore (Rs 5,000 billion) of export performance by the year 2020.
  - The small- and medium-scale industries need an exclusive umbrella organization to promote productivity and market their products, including exports.



### Providing urban amenities in rural areas

- In India there are about six lakh villages and around 70 per cent of our population resides in them. Hence the villages have to play a crucial role in bringing about overall development in the country.
- The prosperity of these villages can come only through providing infrastructure, industrial support and employment opportunities. Providing urban amenities in rural areas envisages four types of connectivity: Physical, electronic, knowledge and economic connectivities for sustained development in village clusters.
- The government has decided to implement the 'providing urban amenities in rural areas' strategy in 5,000 rural clusters as a model across the country in the next five years.
- But the success of this programme is depends on the collaborative efforts and active participation of industries, particularly small-scale industries.
- Thus providing urban amenities in rural areas provides a seamless connection and movement of molecules (people), atoms (material) and electron (knowledge).
- IITF should promote the concept of providing urban amenities in rural areas in the next international trade fair to enable participation of in this programme by the industrial and business community.

### Conclusion

India International Trade Fair has to become a window through which we can see the scene of development in different sectors including industry, service and agriculture.

The industry fair raises the hope and aspirations for different industries to field their products in a competitive environment.

With growing economy India is advancing in number of areas with technological innovations. I suggest the Indian industry must develop quality products in time and cost effective manner, for becoming globally competitive and must penetrate into entrenched market.

India has large potential for tourism. I suggest that two to three un-inhabited islands in Andaman, Nicobar and Lakshadweep are to be developed as model tourist destinations with infrastructure, air and sea connectivities.

India with its large manpower needs many challenging missions like this. The driving force for economic development in rural areas is providing urban amenities in rural areas.

The small-scale industrialist should become CEOs and consider each providing urban amenities in rural areas complex as a tremendous business opportunity and provide four types of connectivity.

They should establish the market, run schools, maintain hospitals and above all generate business enterprises generating large employment and producing best products using the core competence of the village for supply to national and international market.

Presently most of the industries are located in urban areas, whereas 700 million people living in rural areas require stable employment.

Dispersion of medium- and small-scale industry in the rural areas can only provide employment to the rural population.

Such dispersion will also be useful to the industry in terms of reduction in cost of manufacture due to availability of raw material at lower overheads and transportation cost.

Trade fair can take a lead role in creating the product market linkages for our village industry.

Transforming India into a developed nation needs wealth generation. Tourism and small- and medium-scale industries should provide the required momentum for the mission.

I wish the India International Trade Fair a great success.

Doc No. 11 p d a d t e



#### **Annexure 4: Biosphere In peril: Sahara Parivar's Sunderban dreams**

... And what is responsible is a corporate project that has all the ingredients of a modern day tourism blockbuster, and one that could well sound the death knell of this unique ecosystem.

**How long will it remain a picture of tranquility?**

It cannot get bigger, more ambitious or expensive than this. At least that is how it is being projected.

The location is the famous Sunderbans in the State of West Bengal. The largest delta and mangrove forest in the world, the Sunderbans is spread over 10,000 Sq.km in India and Bangladesh. Of this roughly 4,000 Sq.km lies within Indian boundaries and roughly 2,500 Sq.km is being conserved at the Sunderbans Tiger Reserve.

The Sunderbans Tiger Reserve is home to the largest contiguous population of the endangered Royal Bengal Tiger. It also plays host to 50 of the 60 mangrove species found in India, hundreds of species of migratory birds, and a wide range of biological diversity. The sea and the creeks support significant populations of marine life including crustaceans, molluscs, crabs, dolphins, and sea turtles that nest on some of the beaches here. It is an extremely rich and productive eco-system that supports millions of families and livelihoods. Thanks to its uniqueness and importance it has been declared a "World Heritage Site" and was also made a biosphere reserve in 1989.

The "It" (in paragraph one) is the over Rs. 500 crores Sunderbans Tourism Project, which itself is a part of the Sahara India Pariwar's huge Integrated Sahara Tourism Circuit In West Bengal. The Air Sahara website(<http://www.airsahara.net/airsahara/Sunderban.jsp>) presents as rosy a picture as is possible. "The Sahara Group", the website says, "will develop five virgin islands in the 36,000 Sq.km of water area in the Sunderbans ...as tourist destinations of global standing... these islands

would set new standards in hospitality and entertainment. Some of the facilities planned for this dream destination are: modern aqua sports, a mini golf course, a spa, a health centre, a club house and a casino. About 75 per cent of the accommodation would be on floating boathouses and 25 per cent as on-shore cottages, stylish huts and fabulous tents. The exclusive, beautiful virgin beaches of the region would be preserved in their pristine glory. The complex would also have a 30-seater, multi-utility high-speed power craft for a floating clinic, a fire fighting unit, an ultra modern security system and both small and big ships. All cottages and house boats would be equipped with broadband internet facilities, video on demand with interactive dish antenna".

"Virgin" islands and beaches of "pristine glory", a project with "global standing", dream destination, floating boathouses, and a casino. Throw in a tiger breeding centre (it's been advertised) and even scuba diving facilities ... and you have it all perfectly laid out a modern tourism (it's also being pushed as eco-tourism) blockbuster if there was one.

Importantly, this time, even the "Leftist" State Government is playing ball. It is the vital signal that West Bengal is coming of age, that this is a State that welcomes large projects and large money and that the right climate for investment and growth has been created. It is only one in a slew of many mega projects of various kinds that the State is welcoming with gusto.

In January 2004, the West Bengal Government and the Sahara group signed a Memorandum of Agreement for the project as well. It will be a joint venture with the State making available about 750 acres of land on the islands of the Lower Long Sand Island, Sagar, Frasersgunj, L-Plot, Jharkhali and Kaikhali for a paltry sum of only Rs. 20 crores. The responsibility of developing and running the initiative would be



that of Sahara India Pariwar's sub-agency the Sahara India Tourism Development Corporation Ltd.

If all seems in place then what is the problem?

Simply, that a project with this investment and ambition, could well sound the death knell of the extremely fragile and unique Sunderbans. It will kill the golden goose, the very ecosystem that makes it such an attractive tourism proposition in the first place. The impunity with which environmental and social concerns have been neglected in the planning of this project could certainly be called spectacular, if indeed they were not so serious and "deadly". There is violation on every single front, as was found by a team of independent observers who investigated the project area in March this year. This included among others, representatives of People United for Better Living In Calcutta (PUBLIC), Kolkata; Bombay Environment Action Group (BEAG), Mumbai, and the Bangalore-based EQUATIONS that works on issues related to tourism.

"It is important to remember," says Samir Mehta of BEAG, "that the entire Sunderbans, including all the project sites, has been notified as a Coastal Regulation Zone (CRZ) I region." It is an acknowledgment of the fact that this is an extremely sensitive zone and any activity has to be initiated with care and concern. None of this is, however, evident in any of the project documents of the promoters. "First and probably most important," he points out, "is the violation of the Environment (Protection) Act (EPA) 1986. As per the Memorandum of Agreement, what we have is only a Rapid EIA and this," he stresses, "is nowhere sufficient or comprehensive enough to deal with a project this size." Further, the West Bengal Coastal Zone Management Authority (WBCZMA) has not yet prepared the Area Specific Management Plan and Integrated Coastal Zone Management Plan for the Sunderbans, as mandated by the Ministry of Environment and Forests.

Unless these are available, there is no basis for such a project being cleared. Yet, the State Government's expert committee on Environment Impact Assessments (EIA) is said to have cleared the project.

There are a number of laws that the project and government authorities are either ignorant of, or are deliberately violating. Both, of course, are inexcusable.

The project proposes a number of activities that are strictly prohibited in CRZ I areas. These include dredging in creeks and water bodies and the use of coastal salt marsh for developmental activities during the construction phase. Nothing is known of the plans for the disposal of waste and sewage; neither of those to deal with the inevitable oil, grease and other forms of pollution resulting from the operation of the boats, barges and floatels.

There is serious concern being expressed about availability of fresh water, which is already a problem in this marshy and saline region. Presently available only at a depth of about 1,000 feet, many are worried that the huge requirements of the project will only worsen the situation for the environment in general and the local populace in particular. One such large requirement is for a mini golf course at L-Plot.

There have been serious problems with the public hearing process that is mandated for projects of this kind. Bonani Kakkar of PUBLIC pointed this out after participation in the hearing that was held on January 28, 2004, at Ramganga in the 24 Parganas district. While the project is multi-locational, the public hearing was held in only one place.

In a letter written to the West Bengal State Pollution Control Board, the agency responsible for the public hearings, PUBLIC also pointed out that the average time required for people to

2004



travel from places like Jharkhali, L-Plot and Kaikhali to the site of public hearing was about five hours one way, and that most people in these locations had not even heard of the public hearing. "This is not surprising," the letter continues, "considering that two small advertisements were placed in newspapers and the print medium is hardly read in these areas". (Sahara, on the other hand often releases three to four full pages in leading newspapers for their own advertisements).

*"There is also the crucial issue of forest lands and those being protected here in the interest of wildlife," points out Syed Liyakhat of EQUATIONS. Certain critical parts of land and forests to be developed for the project are already designated as reserve forests under the Indian Forest Act (IFA) 1927, and will need special permission for dereservation.*

These have not been sought. Further all the project sites, with the exception of Gangasagar, are within a distance of 10 km from the boundaries of the Lothian and the Sajnekhali wildlife sanctuaries or a wildlife corridor. The Indian Board for Wildlife that is chaired by the Prime Minister had taken a decision in January 2002 that all areas within 10 km of the boundaries of national parks and sanctuaries and the wildlife corridors would be declared as eco-sensitive under the Environment (Protection) Act 1986.

*"State governments had even been asked to list out such areas and furnish detailed proposals for their notification. How then," questions Liyakhat, "can the project be allowed to go ahead in this context? The problem with tourism development," he continues, "is that Governments and tourism developers have always overlooked environmental concerns and tried corrective measures only when the damage has already been done. In the case of the Sunderbans, however, there is too much at stake vis-à-vis the ecosystem and natural resources to repeat the mistake.*

*We should also not forget that the Sunderbans extends into Bangladesh as well and any attempt on the Indian side to upset the already stressed fragile ecosystem," he warns, "could have serious international and political implications."*

In another significant move, it has apparently been decided that fishermen will not be allowed to fish in areas where Sahara has its project or the creeks where their boats will ply. Presumably, they want their "virgin" beaches and islands. It's also become clear that this project will not only harm the environment but also adversely affect the local population, by direct displacement and by the restrictions on their fishing activities. Another area of controversy that has now arisen is to do with a directive that no other tourism operator will be allowed into the Sunderbans without the permission of Sahara. Some competition that would be!

There has been international concern too. The London based Environmental Investigation Agency (EIA) recently issued a briefing note challenging Sahara's claims that this was an ecotourism project ([www.eia-international.org](http://www.eia-international.org)). They have pointed out that the project does not adhere to; rather clearly violates basic principles like those of ensuring conservation, environmental sustainability, involvement and benefits to the local communities and ensuring cultural respect; principles that guide and define an eco-tourism project.

All put together, it's not clear how the project can go ahead at all. It has all the potential for an environmental disaster. "The earlier experience of the Sahara group in creating the Amby Valley Lake city near Lonavla in Maharashtra does not inspire any confidence either," says Mehta.

He should know, for it was BEAG that had highlighted the serious environmental problems and many of Sahara's legal wrong doings here. There are even serious doubts about its economic viability if the marketing, rather the





lack of its success, in Amby Valley is anything to go by.

The Sunderbans, it appears, can certainly do without this Sahara.

*(Pankaj Sekhsaria is a member of the environmental action group Kalpavriksh, TH. 13.6.2004).*

### **Annexure 5: An India-US FTA: Free Trade for America?**

*By Shafiq Shamma EQUATIONS, Bangalore*

There are rumours that the Congress-led Government is set to decide upon a potential Free Trade Agreement (FTA) with the US government. Strong lobbies such as NASSCOM (National Association of Software Companies) are pushing an FTA for services with the belief that it will resolve their BPO (business process outsourcing) problems. Those painting glowing "all gain, no loss" scenarios of an FTA where Indian companies can "render unhindered services in the US" and where Indians "can take up jobs without worrying about H1B visas" seem to be utterly ignorant of the complex politics and legal loopholes of trade negotiations, much less of internal US politics and the global competitiveness of Indian services. A reality check is in order.

While India has played cautiously in the WTO on services and investment, a potential India-US FTA now could undermine its work in the WTO and handicap government (and industry) ability to pursue long term development strategies. Insight into how the US has treated its "FTA partners" both weak and strong can give us an ex-ante look at what India can expect when the US comes to the "negotiating table." This article presents a brief and preliminary look at implications of an India-US FTA through a wider lens. It addresses the India-US economic relationship, the US FTAs with other countries and lessons India can draw from potential

impacts on the economic, political and social fronts.

### **India and US economic relations: A balance of payments?**

According to a Businessline article, the US now accounts for 28% of India's trade. The total value amounts to \$18 billion/year. Two lakh Indians are currently employed through BPO, most for US companies. The US is also India's biggest investor at 20% of the total FDI. On the other hand, India accounts for less than 1% of the US global trade. Apparently India's "untapped retail market" values at \$180 billion and is predicted to double by 2010. The implication, according to this Business line article, is that India needs the US much more than the other way around, especially when it comes to trade and investment.

However, the reality of who benefits from whom might be something else. In agriculture (a sector India is keen to promote in the export market), the trade to the US in edible fruits and nuts declined by 13% and from coffee and tea by 4% in 2003. On the other hand, US trade to India in fertilizers increased by 206% in the same year. India's cotton yarn and fabric trade to the US dropped by 12% while from the US increased by 40% to India. India is the next biggest destination for US products after China with a growth of over 22.5% in 2002. In the same year, services exports (though economists admit that statistics are hard to track) from the US to India were double those from India to the US in with US accruing \$6.8 billion and India, \$3.5 billion. Perhaps, the US "needs" India more than we think it does. The US has a \$300 billion services industry that is eager to get its hands on India's growing market. What will happen to the Indian Services industry when the flood gates open?



However, before jumping on the FTA bandwagon, perhaps India needs to weigh how other USFTA partners have fared in this game.

The US Negotiation Agenda in FTAs: A look at the weak and strong

The US has been steadfast and unrelenting in its commercial interests in FTAs, acquiring commitments from both strong and weak nations that far surpass any commitments the US is able to get through the WTO. The European Union is playing a similar game. The race is on between the two major powers on who can capture developing country markets faster. Covering all areas-- intellectual property; agriculture; services; manufacturing; investment and even government procurement--the US has negotiated well for its multinational companies. Here are some key areas where the US has been able to gain:

### Agriculture

Hiding behind the European Union, the US is actually one of the biggest contributors of low world prices of major agriculture commodities (wheat, corn, cotton, soybeans, rice etc.). A US based NGO, the Institute for Agriculture and Trade Policy (IATP) calculates US "dumping" (the selling of products below the cost of production) of crops as 57% below the cost of production for cotton from 1990-2001, 30% below the cost for corn and 40% below the cost for wheat. The mass quantities of these crops distributed by powerful US agribusinesses in turn put local farmers in developing countries out of business because they can no longer compete with the cheap imports from the US. These imports also crowd out developing country exports.

The US is an aggressive agriculture negotiator in FTAs, demanding extremely low or zero tariffs on commodities and regulatory changes in agriculture schemes.

Mechanisms targeted are often those that protect countries from US dumping. This is clearly visible in the case of Mexico and Chile.

In Mexico, there are at least 2 million corn producers. Mexico was importing 2.5 million tons of corn prior to NAFTA (1994). By 2001, it was importing 6 million tons of corn that the US sold at 30% below the cost of production. Mexican corn prices paid to farmers fell by 70% after large quantities of US yellow corn was dumped on the Mexican market. Even as Mexican farmers (who had no other employment alternatives) produced 18 million tons of corn in 2001, 3 million went unused. This has created immense political problems for the Mexican government and contributed to severe poverty amongst corn and other farmers in Mexico who comprise 70% of the Mexican population.

Chile used to have a "price band" system that would stabilize the prices of cheap imports such as wheat and sugar in order to support its 200,000 farmers who specialize in products such as wheat, dairy, beans (which they primarily sell to their domestic market). The US agribusiness sold wheat to the world market at 44% below the cost of production in 2001. When Chile negotiated its FTA with the US, it was forced to remove this price band.

Intellectual Property: Access to Medicines

Another area of key US interest is intellectual property (IP) rights and thus markets for its pharmaceutical and biotech industry. The US typically demands monopoly rights of patents up to 20 years. It also demands provisions that limit governments from enacting laws that promote cheap generics and issuing compulsory licenses to combat epidemics. Such licensing allows rapid and cheap distribution of drugs in times of crisis. In country after country, the US has targeted IP laws and forced governments to adopt WTO-plus commitments thereby violating the WTO declaration that recognizes



the right of governments to regulate in the interest of public health.

In the Australia-US FTA, Australia is fighting to preserve its Pharmaceutical Benefits Scheme (PBS), which the US congress might find objectionable. Immense pressure has been put on Australia to change its scheme that allows consumers to benefit from affordable medicines.

Negotiations between the US and Bahrain are resulting in similar conditions placed on Bahrain that would limit its ability to bring and market generics for Bahrainian consumers. It is generic medicines that induce competition for lower priced medicines. AIDS anti-retrovirals that once cost up to \$15,000 now cost \$140/year/patient. The US is demanding similar provisions in FTAs with Australia, Chile, Morocco, Singapore and in the Latin America-wide Free Trade Agreement of the Americas (FTAA).

#### **Investor to State**

An important feature in the US approach towards international investment agreements (IIAs), is Investor-State dispute settlement. Under these rules (enshrined in NAFTA, in many bilateral investment treaties and in the most recent US FTAs), investors can sue host country governments for an alleged breach of IIA rules and obligations. The claim can be brought either to the ICSID (the International Center for Settlement of Investment Disputes, at the World Bank), UNCITRAL (United Nations Commission on International Trade Law or other arbitration bodies. Under these systems, the companies and governments fight it out behind closed doors, the public unaware of the proceedings.

As a result of such an "Investor-State" suit under NAFTA, Mexico was ordered to pay around \$16.7 million to an American company (Methalclad Corp) because Mexico's local administration prohibited the company to build a toxic-waste dump in the area.

The company saw this as "expropriation" denying the company profits that it felt it was owed. In another case, the US's United Parcel Service (UPS) challenged Canada for denying it similar treatment as was granted to the Canadian Postal Service (essentially UPS claimed that Canada denied it market opportunity for delivering packages).<sup>TX</sup>

These examples show that local and national laws and regulations could be subject to court claims if they are considered to violate IIA rules and obligations. These could also include obligations to refrain from using certain performance requirements (a policy tool essential to ensure that countries benefit from FDI) regardless of the public good they may provide. Essentially, Investor-State processes grant more powers to foreign companies than to governments and their national interests. Such processes are an essential feature of recent US FTAs, such as the Singapore-US.

#### **Services**

Similarly, US FTA negotiations on services are extremely ambitious and demand drastic and unconditional cuts on tariffs while major elements of services negotiations are still ill-defined and unclear in the WTO GATS negotiations (such as classification, government regulation and rules regarding government procurement and subsidies). The US services industry usually knows exactly which national and sub-national laws of any given country to target for market access this is obvious from the few leaked US GATS requests in Geneva. Meanwhile, understanding US national, state and municipal laws and regulations on various services sub-sectors requires expertise that the Indian services industry and the government is currently ill-prepared to handle.



Industry pundits such as CII's Senior Advisor, TK Bhaumik rightly suggests that most of India's services are still unorganized and the time has not yet arrived to engage in a sweeping services agreement with the US. He notes: one or two strong sectors (i.e. software) "does not make the whole sector competitive." Importantly, he suggests that an FTA on services would have implications for other sectors such as industrial goods another area of aggressive market interests for the US.

### **Implications for India**

#### ***Economic and Social Consequences***

In February of this year, US Trade Representative (USTR) Robert Zoellick stated that India's average applied tariff in agriculture is 38%, three times the level of the United States and the US manufacturing tariff at 3% compared to India's 20%. And he wants further reductions from India. Given that the WTO has taken away other types of border measures, tariffs are the last remaining resort for India to collect revenues and to protect its domestic agriculture and manufacturing industries. In an FTA, these applied rates would drastically come down with the US having to make little compromise from its own minimal tariffs. Meanwhile, agriculture dumping and protection of its steel and other manufacturing sectors would continue.

India boasts of having protected its small farmers and allowed for potential to export agriculture into the world market through its new deal at the WTO in July of this year. The reality is that actual details are yet to be negotiated in the WTO and will do nothing to curb US agriculture dumping on Indian farmers since all of the US support schemes come under "non-distorting" or "minimally trade distorting" categories in the WTO. Over 60% of India's population depends directly or indirectly on agriculture and currently the countryside is in deep trouble.

Rural farmers are being "squeezed between falling output prices and rising input prices" with limited support from India's banking structure for credits. As a result, numerous farmer suicides and increased landlessness in the last six years have occurred. It has, in turn, drastically reduced the purchasing power of 60% of the Indian population, even to purchase foodgrains. This phenomenon led to the famous "60 million tonnes" of foodgrain stocks in 2002 even as many in the countryside went hungry. During the following year and half, India exported 17 million tones of foodgrains. According to Utsa Patnaik's research, the latest NSS survey of 1999-2000 cites 75% of the rural population in India as suffering from poverty. In Andhra Pradesh, one of the largest agriculture producing states, as much as 84% of the rural population was in poverty.

Before India engages in further tariff reductions in goods or services (as it continues under-investing in the agrarian sector and/or is prevented from doing so through FTAs and multilateral agreements), it might want to reconsider the dire economic and social consequences for the majority of the Indian population. Without purchasing power, there is no Indian market to speak of, be it for domestic or foreign companies.

#### **Political Consequences**

An FTA with US will have broader political impacts. In May of this year, the US named India once again on its "Special 301 Priority Watch List" for "weak protection and enforcement of its intellectual property rights laws." From 1992-2001, the US removed India from its Generalized System of Preferences (GSP) scheme which allowed duty-free entry to Indian products valued up to \$1.1 billion. It did so, on the grounds of "inadequate intellectual property rights protection".



watchful of its IP interests and is targeting India. The more dependent India is on the US market (as opposed to numerous markets in demand of India's cheap medicines), the more vulnerable India will be to economic and political pressures by the US. This is at a time when India's AIDS epidemic is just coming to light (5.1 million Indians recorded as infected as of 2003). India's ability to produce and distribute cheap drugs is essential.

The experience of African governments in the WTO shows that tremendous trade/aid dependency on the US or the EU leaves these governments virtually powerless to assert their own national interests. Though India is not there yet, it may want to consider whether it wants more or less vulnerability to the US government and its commercial interests. Isn't allowing the US dominated World Bank into the Planning Commission's consultative committees for the Xth Five Year Plan (2002-2007) enough?

Academics and World Bank officials suggest that an FTA with the US could "strengthen India's hand in its broader strategic engagement with the U.S. by creating a stake for American business in India."

On the other hand, a stronger hand of US business could also force India to increasingly cater towards US interests at the threat of economic sanctions. It is a double-edged sword.

Clearly, the US unashamedly used the trade weapon with Chile during the finalization of the Chile-US FTA when Chile refused to support the US war in Iraq. The formal signing of the agreement was held up for several months when Chile refused to give its support to the US at the UN. USTR's Zoellick was quoted as saying "the U.S. government expects 'cooperation or better on foreign policy and security issues' from its potential partners in trade agreements".

#### **Final Comment**

Given these preliminary considerations, perhaps India should consider taking care of its business at home first with its "\$180 billion market." Rather than eagerly sitting down with the US at the "negotiating table," India might be wiser to continue building South-South relations as it is doing with China, Brazil, South Africa and in its own backyard.



## **Annexure 6: Incoming Materials January September 2004 Books**

| <b>Name</b>   | <b>Author/Publisher</b>                              |
|---|--|
| A Naga Village Remembered   | Easterine iralu                                      |
| Ecology and land use pattern in Gudalur taluk nilghiris: a geographical study           | Arun Kumar Singh                                     |
| Tourism scenario and its potentiality in Nagaland                                       | Wezote Khutsoh                                       |
| Nagaland (1993-2002)- A decade of stability, progress and development.                  | Govt. of Nagaland, Kohima                            |
| The karnataka Municipal Corporations Act, 1976  | Karnataka law Journal Publications                   |
| Karnataka Budget 2004-2005  | Karnataka Law Jounal Publication                     |
| GATS 2000: New Directions in services trade liberalization                              | Piette Sauve   |
| A Citizens guide to the libalisation of finance   | Kavaljit Singh                                       |
| Sheep and Lambs: An empirical study of women in local self Governance in Karnataka      | F.Stephen, N. Raja Sekaran                           |
| Communitization: Experiences of the first year  | Govt. of Nagaland, dept. of Health & Family Welfare  |
| Does community-based conservation make economic sense?: Lessons from India              | Sushil Saigal  |
| Coastal conservation through enterprises at Rekawa Lagoon, Sri Lanka                    | U.K. Ekaratne  |
| Protected areas in India: A Profile   | Roshni Kutty and Ashish Kothari                      |
| Proceedings of the workshop on sea turtle conservation                                  | Centre Marine Fisheries Research Institute           |
| Where Communities care: Community based wildlife and ecosystem management in south asia | Ashish Kothari                                       |
| The state of the rights of the child in Nepal 2003                                      | CIWN   |
| Statistical Hand Book of Nagaland 2001  | Government of Nagaland                               |
| Foreign Direct Investment and Development   | UNCTAD   |
| World Social Forum- Challenging Empires   | Jai Sen, Anita Anand, Arturo Escobar, Peter waterman |
| Journal of Indian Ocean Studies   | Society for Indian ocean Studies                     |
| Small is beautiful  | E.F. Schumacher                                      |
| Dalits betrayed   | DR. B.D. Sharma                                      |
| Status of Women in Keraia   | Kerala Women;s Commission                            |
| Who s Where   | Grace Fernandez                                      |
| Research for Development  | Sophie laws with Caroline Harper & Rachel Marcus     |



### Reports

|  |                                       |
|--|---------------------------------------|
| ICRIER: Distribution services: India and the GATS 2000 Negotiations  | Arpita Mukherjee                      |
| ICRIER: Economic Reforms: Policy and institutions some lessons from Indian Reforms   | Arvind Virmani                        |
| ICRIER: Impact on Government Policies and Investments Agreements on FDI Inflows  | Rashmi Banga                          |
| Indian export by countries and commodities: Modelling RIS of Export sector for short-term forecast   |                                       |
| ICRIER: Indian's trade in maritime transport services under the gats framework   | Arpita Mukherjee                      |
| ICRIER: India's Trade potential in Audio-visial services and the GATS  | Arpita Mukherjee                      |
| ICRIER: Trade liberalization and price cost margin in Indian insustries  | Bishwanath Goldar                     |
| ICRIER: Trade in Land transport services: Railways   | Arpita Mukherjee                      |
| ICRIER: Outsourcing and job loss: A protectionist fallacy  | Rajeev Ahuja                          |
| Poverty reduction and the world bank   | The World Bank                        |
| IMF conditionality and country ownership of programmes   | Mohsin S.Khan                         |
| Bridging the differences: Analyses of five issues of the WTO agenda  | L. Alan Winters and Pradeep. S. Mehta |
| A brief report on Higher and technical education Nagaland: Kohima  | C.Khalong. Ao                         |
| Report on Laws and legal procedures concerning the commercial sexual exploitation of children in India   | ECPAT, Plan                           |
| Situational analysis on trafficking of women and children in Pakistan- Shattered dreams and living Nightmares                                    | ActionAid                             |
| CEDAW- Restoring rights to women   | UNIFEM, PLD                           |
| Traffic in persons for commercial sexual exploitation' : Legislation, role and effectiveness of the law enforcement and law adjucation machinery |                                       |
| RIS Discussion papers- Environment issues in free trade agreements in Asia & the post-cancun challenges: issues and policy options               | Sachin Chaturvedi                     |
| The campaign against sexual harassment at the workplace- A training manual   | Priya Narula & Cathering siuggett.    |

Doc No. 97 p d a d t e



A compilation of the Karnataka (India) Coastal Investors Meet. This is a tool towards building awareness and action for protecting the coastal ecosystem and ensuring development that is just and equitable.  
Suggested contribution: INR 50 or US\$3.

**Doc-Up date:** A half yearly compilation of latest media reports on tourism and developmental issues. The Doc-Update aims to provide an analytical perspective to the debate on tourism and development. Useful for researchers, tourism institutes, and activists.  
Subscription: INR 500 per issue or US\$ 15.

### Indigenous Peoples, Wildlife and Ecotourism - emerging issues and trends: Dossier

Issues of ecotourism compiled from various sources to reveal some of the reservations about ecotourism in a more detailed manner. It strives towards influencing international, national and state policies on ecotourism, keeping democracy, protection of the environment and indigenous peoples rights as inalienable benchmarks.  
Suggested contribution: INR 250 or US\$ 10.

### Nilgiris Biosphere Reserve Fading Glory: Dossier

With focus on the fragile ecosystem, environment hazards and tourism induced development of the Nilgiris Biosphere Reserve (India). It also attempts to raise pressing concerns and priorities from the ground and seeks interventions to redeem the glory of Nilgiris Biosphere Reserve. Suggested contribution: INR 50 or US\$3.

### Rescuing Child Labourers: Report

A documentation on raid and rescue operation undertaken to rescue 104 children from the residential, small-scale jewellery units of Bangalore. Based on an analysis of the child labour rescue practices observed during the process, a framework for conducting rescue operations in the child-sensitive manner involving various stakeholders. Suggested contribution: INR 250 or US\$10.

### Resisting the Sell-out of the Sunderban Biosphere Reserve: Investigation Report

The 'Integrated Sahara Sunderban Circuit' project is an ambitious project to develop the country's biggest delta & mangrove forest in West Bengal into a world-class tourist

center. The project violates the Coastal Regulation Zone & Environmental Impact Assessment Notifications and all existing environmental laws and regulations of India. It is also threatening displacement of many villages and affecting livelihoods.

Suggested contribution: INR 100 or US\$ 5.

### Tourism & Displacement: PILIKULA Karnataka's "Model" Tourism Project: Report

Description of problems and impacts on local communities due to unplanned tourism development.  
Suggested contribution: INR 50 or US\$3.



### Towards Democratising Tourism: Report

Understanding Development through Tourism: A critique and strategizing of alternatives; Interventions of International Tourism NGOs in the World Social Forum 2004, Mumbai, India.

Contribution: NIL; complimentary copy.

### Weighing the GATS on a development scale, the case of Tourism in Goa: Research Study Report



Providing insight on how recent developments in the tourism industry in Goa have affected small communities in light of both current developments and potential developments as per India's commitments within the World Trade Organizations GATS (General Agreement on Trade in Services) framework. Suggested contribution: INR

150 or US\$5.

### We Won Cancun: Dossier

Meant to serve as a reference for civil society activists on some of the debates, actors, issues and events before, during and after the Cancun meeting of the WTO in September 2003.

Suggested contribution: INR 100 or US\$5.



### Veegaland Amusement Park: An Investigation Report

Amusement parks & water theme parks are threatening depletion of water resources in stressed environmental and political situations. Investigation report of a case study in Kerala. Suggested contribution: INR 50 or US\$3.

*Write to us for your requirements. Please add INR 50 for postage in India and US\$5 for overseas. We recommend multiple-copy orders for economy in postage.*



# Indian Tourism: Current Issues



## A Statement of Concern

As EQUATIONS enters its 19<sup>th</sup> year of experience and existence in critiquing tourism issues in India, it is challenged by several concerns on the horizon today, a scenario that is likely to persist and extend in both magnitude and implications as we approach the 21<sup>st</sup> century.

## Towards a Critique: Some Statements

In the context of neo-colonisation

- Tourism has to be viewed in the context of a development model which has a political character;
- Tourism development has taken place along with increase elitism, authoritarianism, militarism and various forms of state repression in different parts of the World: all of these are threats to the culture, economy and empowerment of communities;
- Tourism development along with globalization process threatens the sovereignty of a nation (in the broadest definition of nation);
- Tourism eulogizes a certain consumptive and luxurious lifestyle which is unsustainable by any means;
- Tourism promotes net outflow of capital to global market economy especially to the so called development nations;
- Tourism is based on the objectifies view of the world where beaches, sanctuaries and so on are seen as objects of pleasure which negates the sanctity of the objects as well as of possible meaningful relationships between peoples and their environment.

## Our vision for Tourism

An EQUATION seeks a world where wealth, resources and benefits are much more equitably distributed between North and South. Our vision of tourism fits within that framework. While there is no one transposable model which will work in all situations, we are working towards tourism which

- Bring economic benefits directly to all segments of the host community, particularly including women and indigenous people;
- Is subject to local, democratic control, so that communities are making their own decisions about how tourism should be permitted and regulated;
- Is integrated into other community activities, so that it is culturally appropriate and sensitive to the inequities between hosts and guests;
- Enriches both host (economically, developmentally and in terms of control) and guests (culturally, re-creationally).

This is in contrast to many current tourism models, which are imposed from the North, requires the extensive use of imports, is overly commercialized, and reinforced inequities rather than challenges them.

EQUATIONS sees tourism not as a means to bring Southern communities into the Northern mainstream, but rather as one of the way to work towards a more just world.

## What we do



The varying roles that EQUATIONS plays includes advocacy, center for information resources, educator, watchdog, helping hand, publisher and producer of materials.

### At the local level

- Focus on a particular place or issue
- Documents the tourism movement itself
- Conduct survey with local groups
- Produce background materials on particular situations
- Facilitate scientific research on environmental and related issues.

### At the national level

- EQUATIONS identifies itself as an Indian group, not a global one
- EQUATIONS historical role is as a pioneer who put tourism on the agenda of the national development debate
- EQUATION provides research and publications and is a resources center.

### At the international level

- Provide direct support for local action in South Asia
- Provide resources and information for local action elsewhere develop training and seminars for groups worldwide
- Participate integrally in the new global tourism structure when it emerges.

### Information Collection and Dissemination

- Collaborate with local groups to collect information/inform them about parameters and standards
- Produce brief fact sheets in Basis English so they can readily be translated, and some in local languages
- Produce guidelines for assessing tourism from different perspectives

### Lobbying

- Make the concerns and interest of local communities visible
- Empower them to lobby for themselves and training
- Offer workshops on fundamental tourism issues
- Provide "how to" sessions on: participatory research, communications (including how to publish a newsletter and present audiovisual programs), options for strategy (including legal options)
- Tailor each subject to the particular groups situation and priorities.



- Learn about hotels entering India, including their investments, corporate behavior elsewhere, and structures.
- Monitor tourism policy, and legislation when will affect tourism issues
- Network with others who can be "eyes and ears"
- Follow global development that affect tourism
- Produce an annual audit showing how tourism in India is faring, from a critical perspective.

## Sources Index

|       |                              |
|-------|------------------------------|
| AAD   | Asian Age, Bangalore         |
| AAB   | Asian Age, Bangalore         |
| BL.B  | Business Line, Bangalore     |
| BL.C  | Business Line, Chennai       |
| BL.D  | Business Line, Delhi         |
| BS.B  | BusinessStandard, Bangalore  |
| BS.D  | Business standards, Delhi    |
| DH.B  | Deccan Herald, Bangalore     |
| ET.B  | Economic Times, Bangalore    |
| ET.C  | Economic Times, Chennai      |
| EHC   | Express Hotelier and Caterer |
| ETT   | Express Travel and Tourism   |
| FE.B  | Financial Express, Bangalore |
| FE.D  | Financial Express, Delhi     |
| GT.G  | Gomatak,Goa                  |
| GN.G  | Goan Times, Goa              |
| HT.D  | Hindustan Times, Delhi       |
| HE.G  | The Herald, Goa              |
| IE.C  | Indian Express, Chennai      |
| IE.D  | Indian Express, Delhi        |
| NT.G  | Navhind Times,Goa            |
| TOI.B | Times of India, Bangalore    |
| TOL.D | Times of India, Delhi        |
| TOI.M | Times of India, Mumbai       |
| TH.B  | The Hindu, Bangalore         |
| TH.B  | The Hindu, Bhuvaneshwar      |
| TH.C  | The Hindu, Chennai           |
| TH.D  | The Hindu, Delhi             |
| TH.O  | The Hindu, Orissa            |
| TP    | Travel Plus                  |

Readers are welcome to write to us for any of the material listed in the Update, though we request contribution towards photocopy and mailing expenses. The data at the end of each item indicates the sources. Please refer the source index for abbreviations used.

EQUATIONS (Equitable Tourism Options) seek to situate the tourism critique within the overall development debate. Our activities include documentation, publications, research and supporting individuals and group involved in concerted action on tourism issues.

Update



S. Majumder "India-US BPO spat Answer may lie in FTA" Businessline, April 14, 2004

<sup>vii</sup>Data in this paragraph from the FICI website: [www.fici.org](#): "India-US Economic and Commercial Relations"

<sup>viii</sup>Ritchie, Mark et al. "US Agriculture Dumping on World Markets" Cancun Paper Series No. 1, 2003, [www.tradeobservatory.org](#)

<sup>ix</sup>Public Citizen. "NAFTA Truth and Consequences: Corn" March 31, 2004, [www.citizen.org](#)

<sup>x</sup>Langman, Jimmy. "Chilean Farmers Protest Trade Pact" Miami Herald, June 11, 2003

<sup>xi</sup>Australian Associated Press. "US Free Trade Deal Locked In." August 12, 2004

<sup>xii</sup>Data in this paragraph from Center for International Environmental Law (CIEL). Report of the TEPAC on The US-Bahrain Free Trade Agreement, July 12, 2004, [www.ciel.org/Publications/TEPAC\\_Bahrain\\_14Jul04.pdf](#)

<sup>xiii</sup>De Palma, Anthony "NAFTA's Powerful Little Secret" New York Times, March 11, 2001

<sup>xiv</sup>Ibid

<sup>xv</sup>Bhaumik, TK. "Take Stock of the Pros and Cons: An Indo-US FTA in Services is an Idea Whose Time Hasn't Come Yet" [http://www.bhaskar.com/article/INDO-US-FTA-IDEA-WHOS-66139](#) id=66139

<sup>xvi</sup>Ibid

<sup>xvii</sup>USTR. Robert Zoellick's Press release: "US has a 9 billion\$ deficit with India and a \$500 billion deficit in the world"

<sup>xviii</sup>Data in this paragraph from Utsa Patnaik, "Principle Task on the Agrarian Front" India: An Economic Agenda for 2004. SAHMAT: July 2004

<sup>xix</sup>Kronstadt, Alan. "India: Chronology of Recent Events" CRS Report for Congress, US State Department, July 28, 2004

<sup>xx</sup>FICI website: [www.fici.org](#): "India-US Economic and Commercial Relations"

<sup>xxi</sup>From India/South Asia Roundtable: *India-U.S. Economic Relations: A Free Trade Area of the Democracies?* Speakers: Aaditya Mattoo, The World Bank and Arvind Subramanian, Harvard University at the Brookings Institute

<sup>xxii</sup>Hansen-Kuhn, Karen, "FTAA Fails to Gain Support from Citizens and Governments Across the Region" Foreign Policy In Focus. Policy Brief: Volume 8, Number 3, November 2003, [www.fpiif.org](#)

## **A - TOURISM AND TOURISM ALTERNATIVES**

- A00 Tourism, Travel (General)
- A10 Tourism and Development
- A30 Tourism Alternatives, Alternative Tourism
  - A31 Alternative Development Ideas, Sustainable Development (General)
- A40 Anti-Tourism Movements, Protests
- A50 Organisations working with tourism
- A51 Other Organisations
- A80 Tourism research/Education
- A90 Resources on Tourism
  - A91 Resources on non-tourism issues

## **B - TOURISM POLICY AND TOURISM DEVELOPMENT**

- B00 Tourism policy and Plans
  - B01 Special Tourism Areas
- B20 Tourism Legislation, Rules, Regulations, Acts
- B30 ITDC
  - B31 State Tourism Development Corporations (TDCs)
  - B32 Tourism Facilities, transport, accommodation
- B40 Bilateral and Multilateral Agreements of Indian Government in Tourism
- B60 International Tourism Issues
  - B61 International Tourism Legislation, Rules, Regulations
  - B62 World Tourism Organisation - OMT
  - B63 International Network
  - B64 CSD (UN)

## **C - TOURISM ECONOMY, INDIAN ECONOMY**

- C00 Tourism Economy and Tourism Infrastructure
  - C01 Tourism Sector Budgets
  - C02 Foreign Investment in Tourism Sector - policies, projects cleared, terms
  - C03 Tourism Finance
- C10 Indian Economy
- C11 Liberalization Policies
  - C12 Policy on Services
  - C13 Power - policy
- C20 Transport (General)
  - C21 Road Transport
  - C22 Water Transport
  - C23 Railways
    - C23a Place on Wheels and Royal Indian etc (railways and tourism)
  - C24 Civil Aviation
- C30 Tourism Industry - Status,

Development, New plans, Tourism Industry policy, Hotels

- C31 Resorts/country clubs/time shares (General)
- C32 Travel agents (General)
- C33 Auxiliary Industry
- C40 Labour in Tourism Industry
  - C41 Labour Policy, legislation, laws and implementation, employment/unemployment, unions/ associations
- CO. Companies (selected hotel airline travel companies)

## **D - TOURISM PROMOTION AND TYPES OF TOURISM**

- D00 Tourism volumes and patterns (India)
- D01 Domestic Tourism (Definitions, volumes, patterns)
- D10 Tourism Promotion (General)
  - D11 Festivals - India (tourism promotion)
  - D12 Festivals - otherwise (tourism promotion)
- D20 Package Tours
  - D20a Adventure Tourism
  - D20b Recreation and Theme Parks
  - D20c Convention tourism
  - D20d Heritage Tourism
  - D20e Pilgrimage Tourism
  - D20f Health Tourism
  - D20g Rural Tourism
  - D20h Golf Tourism
  - D20i Eco tourism/wildlife tourism
  - D20j Culture tourism
- D40 Tourism and Media
- D41 Travelogues

## **E - TOURISM, SOCIETY AND IMPACTS**

- E00 Social Impact of Tourism (General)
- E01 Environmental Impact of Tourism (General)
  - E01a Environmental Laws and policy
  - E01b Environmental issues
  - E01c Forests (deforestation, forest policy and laws)
  - E01d Wildlife
- E02 Tourism and Culture
- E03 Livelihoods, New Social forms and tourism
- E10 Tourism and Displacement
- E11 Land Rights and Violations (tourism)
- E12 Natural and Common Resources - rights and violations
- E20 Tourism and Crime
- E21 Tourist Police/security

- E22 Tourism and Drugs
- E30 Tourism, Public Safety and Health
- E40 Sex-Tourism
- E41 Prostitution and Trafficking (General)
- E42 Child Prostitution / Child sex abuse
- E50 Tourism and Children
- E60 Women and Tourism
- E61 Women workers in tourism
- E62 Women as tourism objects/Women in Tourist paradise/ in tourism media
- E63 Women Tourist
- E70 Tourism and Indigenous people
- E71 National Parks and Sanctuaries (General)

### **G - COASTAL REGIONS - ECOLOGY, DEVELOPMENT AND TOURISM**

- G00 Coast & Ocean (General)
- G01 Ecosystem (General)
  - G01a Goshree
  - G01k Karnataka
  - G01l Kerala (Backwaters)
  - G01m TN
- G02 Mineral wealth of the ocean and coast
  - G02k Karnataka
  - G02l Kerala
  - G02m Tamil Nadu -
- G03 Ocean - Currents, Temperature, Climate Change, Green house gases
- G10 Marine and CRZ Acts, Rules, Laws, Community rights, violations (General)
  - G10k Karnataka
  - G10l Kerala
  - G10m Tamil Nadu
- G20 Fisheries (General)
  - G20k Karnataka
  - G20l Kerala
  - G20m Tamil Nadu
- G21 Aquaculture (General)
  - G21k Karnataka
  - G21l Kerala
  - G21m Tamil Nadu
- G30 Coastal Communities
- G31 Coastal Organisations/Institutions
  - G30k. Karnataka
  - G30l. Kerala
  - G30m. Tamil Nadu
- G40 Industries on the coasts (General)
  - G40kKarnataka
  - G40lKerala
  - G40m Tamil Nadu
- G41 Coastal power projects
  - G41k Cogentrix, Barge

Mounted

- G41l Kannur, Kasargod districts
- G41m Kalpakkam
- G42 Oil rigs and Refineries (General)
- G43 Ports, Harbours, Fishing Jetties and Landing Centres (General)
  - G43kKarnataka
  - G43l Kerala.
  - G43m Tamil Nadu
- G50 Coastal Constructions, urbanisation, land acquisition
  - G50k Karnataka
  - G50l Kerala
  - G50m Tamil Nadu
- G51 Coastal Highways
  - G51a Inland waterways
  - G51l Coastal Expressway
  - G51m ECR
- G80 Coastal and Sea Pollution (General)
- G90 Coastal tourism

### **H - HILL AND MOUNTAIN REGIONS**

- H00 Hill and Mountain Regions of India (General)
- H03 Hill Economy
- H04 Urbanisation in hill regions
- H10 Hill Tourism (General)
- H11 Hill Stations
- H12 Hotel Industry in hill regions
- H20 Nilgiris (General)
- H21 Wild Life Sanctuaries in the Nilgiris biosphere
- H22 Communities in the Nilgiris
- H23 Nilgiris Economy
- H24 Urbanisation, land use and infrastructure in Nilgiris
- H30 Himalayas (General)
- H31 Wild Life Sanctuaries in the Himalayan biosphere
- H32 Communities in the Himalayas
- H33 Himalayan Economy
- H34 Urbanisation, land use, infrastructure in Himalayas

### **K - KARNATAKA**

- K00 KARNATAKA - Land and People
- K10 Policy, Economy
  - K11 Planning
  - K12 Infrastructure, power
  - K13 Multinationals
- K20 Environment and environment issues, forests, mining, quarrying in Karnataka
- K30 Non-tourism Issues, Movements in Karnataka (General)
- K31 Peoples movements
  - K32 Indigenous people (Adivasi)

- Movements/self rule)
  - K33 Child labour
  - K34 Bangalore
- K40 Karnataka Tourism Policy and plans
- K50 Tourism/Tourism issues in Karnataka - General
  - K51 Coastal tourism
- K52 Child prostitution (tourism related)
- K53 Heritage Tourism
- K54 Culture tourism
- K55 Eco/wild life tourism- national parks and sanctuaries
- K56 Nagarhole
- K57 Hill tourism
- K58 Special Tourism Areas (STAs)
- K59 Golf Tourism

## **L - KERALA**

- L00 KERALA - Land and People
- L10 Policy, Economy
- L11 Planning - including People's plan
- L12 Infrastructure
- L13 Multinationals
- L20 Environment and Environment issues in Kerala
- L30 Non-tourism Issues, Movements in Kerala (General)
- L31 Peoples movements
- L32 Indigenous people (Adivasi Movements/political struggles)
- L40 Kerala Tourism policy and plans
  - L41 Anti tourism Movements/ Organisations
- L50 Tourism/Tourism issues in Kerala (General)
- L51 Coastal Tourism
  - L51a Backwater Tourism
  - L51b Kovalam, Varkala, Kottukal
- L52 Pilgrim Tourism
  - L52a Sabarimala
- L54 Culture Tourism
- L55 Eco - Wild Life Tourism
- L56 Wayanad
- L57 Hill Tourism
- L58 Special Tourism Area-Bekal

## **M - TAMILNADU**

- M00 Tamil Nadu - Land and People
- M10 Policy, Economy
- M11 Planning
  - M12 Infrastructure
  - M13 Multinationals
- M20 Environment and Environment issues in Tamil Nadu
- M30 Non-tourism Issues, Movements in Tamil Nadu (General)

- M31 People's movements
- M32 Indigenous people (Adivasi Movements)
- M40 Tamil Nadu Tourism policy and plans
  - M41 Anti tourism Movements/ Organisations
- M50 Tourism issues in Tamil Nadu
  - M51 Coastal tourism
  - M53 Heritage Tourism
  - M55 Eco- Wildlife Tourism
  - M57 Hill Tourism
    - M57a Ooty
    - M57b Kodaikanal
  - M58 Special Tourism Areas (STAs) in Tamil Nadu - Mamallapuram, Kancheepuram, Tharangampadi
- M59 Golf tourism

## **N00 ANDHRA PRADESH**

## **P00 GOA**

## **Q00 NORTH EASTERN STATES**

## **S OTHER STATES**

- S00 States (General) including Southern
- S10 Eastern India- Orissa, West Bengal
- S20 North India- UP, Bihar, HP, MP
- S21 J&K
- S30 Western India - Maharashtra, Rajasthan, Gujarat
- S40 Union Territories- Pondichery

## **T- FOREIGN COUNTRIES**

- T00 International Tourism Volumes and Patterns (General)
- T10 South Asia
- T20 South East Asia
- T30 Communist Asia
- T40 Middle East/West /Central Asia
- T50 Africa
- T60 Europe
- T70 North America
- T80 Caribbean/Central and Latin America
- T90 International Economy
- T90 Pacific

## **U - INTERNATIONAL ECONOMY**

- U00 International Economy (General), globalisation, structural adjustment - impact, critique, alternatives, case studies
- U20 International Economy, Statistics/Foreign exchange markets
- U30 GATT/World Trade Organisation

U31 GATS  
U40 International Aid (Bilateral)  
U41 World Bank  
U42 IMF  
U43 ADB  
U50 UN (and related organisations)

## **X - CULTURE and SOCIETY**

X00 Culture - Theory, Research  
X01 People and their expressions-  
religion-rituals-religious and ritualistic  
pilgrimage  
X02 Local Festivals, stories and folklore  
X03 Handicrafts and utilities, traditional  
systems of knowledge and practices  
X04 Local Heritage Sites -  
Historical/religious/community  
X10 Indigenous People - India and other  
countries  
X11 Social/political system  
X12 Tribes and Development  
X14 Human Rights of Tribes  
X15 Autonomy and self-rule Movements  
X20 Society and Indian Society  
    X20a Acts, Bills, ordinances  
(General)  
X21 Development - India's  
development, including social  
movements  
X22 human rights (General)  
    X22a Right to Information  
X23 ideology, socialism, communism,  
nationalism  
X24 colonialism  
X30 Gender and Feminist Theory  
X31 Status of Women (General)  
X32 Women and Law, Violence against  
Women -analytical  
    X33 Women's Work/Women  
Workers  
X34 Women and Development  
(schemes, national commission on  
women etc)  
X35 Women's Movement and  
Organisation (main focus on India  
X40 Children  
X41 Child Rights  
X42 Child Labour (non-tourism)  
X60 History/Indian History

## **Z MISCELLANEOUS**

Z00 Statistics (General)  
Z10 NGOs  
Z80 Cartoons  
Z90 Miscellaneous





Equations

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